

VU Research Portal

Public Domain Preservation in EU Trademark Law – A Model for Other Regions?

Senftleben, M.R.F.

published in

The Trademark Reporter
2013

document version

Publisher's PDF, also known as Version of record

[Link to publication in VU Research Portal](#)

citation for published version (APA)

Senftleben, M. R. F. (2013). Public Domain Preservation in EU Trademark Law – A Model for Other Regions? *The Trademark Reporter*, 103(4), 775-827.

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal ?

Take down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

E-mail address:

vuresearchportal.ub@vu.nl

The Trademark Reporter®



The Law Journal of the International Trademark Association

The Evolution of Dilution in the United States from 1927 to 2013

Jerre B. Swann

Public Domain Preservation in EU Trademark Law—A Model for Other Regions?

Martin Senftleben

The United States Supplemental Register: Solace, Substance, or Just Extinct?

Anne Gilson LaLonde and Jerome Gilson

Three-Dimensional Trademark Registration in Japan

Junko Izumi

The Mark of a Resold Good

Yvette Joy Liebesman and Benjamin Wilson

ICANN Dot-Anything: Rethinking the Scope of the New gTLD Expansion,
Its Effect on Government Regulation, and Its Impact on Trademark Owners

Ukeme Awakessien Jeter

Amicus Brief of the International Trademark Association in

Specsavers International Healthcare Limited & others v. Asda Stores Limited

Amicus Brief of the International Trademark Association in

Samsung Electronics Company Ltd. & Anr. v. Kapil Wadhwa & Ors.

PUBLIC DOMAIN PRESERVATION IN EU TRADEMARK LAW— A MODEL FOR OTHER REGIONS?

*By Martin Senftleben**

I. INTRODUCTION

Initiatives aiming at the preservation of the public domain constitute an important element of the WIPO Development Agenda.¹ With the Study on Misappropriation of Signs,² the international debate on how to preserve a rich and accessible public domain has reached trademark law.³ This debate raises fundamental questions about the relationship between the rationales of trademark protection and the need to safeguard the public domain. How should the public domain be defined in relation to the trademark system? Which preservation tools are available under trademark law? What lessons can be learned from the way in which these tools are used in different countries? How can these experiences be translated into best practices that can

* Professor of Intellectual Property, VU University Amsterdam; Senior Consultant, Bird & Bird, The Hague. I would like to thank Michael Handler, Lisa Ramsey, the participants of the 2012 WIPO Advanced Research Forum on Intellectual Property Rights, and the 2013 Drake Intellectual Property Scholars Roundtable, and the editors of this journal for valuable comments on previous drafts and presentations.

1. See, e.g., WIPO Development Agenda, Adopted Recommendation 16: ("Consider the preservation of the public domain within WIPO's normative processes and deepen the analysis of the implications and benefits of a rich and accessible public domain"), Adopted Recommendation 20: ("To promote norm-setting activities related to IP that support a robust public domain in WIPO's Member States, including the possibility of preparing guidelines that could assist interested Member States in identifying subject matters that have fallen into the public domain within their respective jurisdictions"), both *available at* <http://www.wipo.int/ip-development/en/agenda/recommendations.html>. For commentary, see the various contributions to *The Development Agenda: Global Intellectual Property and Developing Countries* (N.W. Netanel ed., Oxford: Oxford University Press 2009).

2. *Study on Misappropriation of Signs* (M.R.F. Senftleben ed.), WIPO Document CDIP/9/INF/5, dated Mar. 14, 2012, *available at* http://www.wipo.int/edocs/mdocs/mdocs/en/cdip_9/cdip_9_inf_5.pdf.

3. For previous studies concerning copyright and patent law, see S. Dussolier, *Scoping Study on Copyright and Related Rights and the Public Domain*, WIPO document CDIP/4/3/Rev./STUDY/INF/1, dated May 7, 2010, *available at* http://www.wipo.int/edocs/mdocs/mdocs/en/cdip_4/cdip_4_3_rev_study_inf_1.pdf; J. Phillips, *Study on Patents and the Public Domain*, WIPO document CDIP/4/3 Rev./Study/INF/2, dated Apr. 27, 2011, *available at* http://www.wipo.int/edocs/mdocs/mdocs/en/cdip_4/cdip_4_3_rev_study_inf_2.pdf. Cf. also L. Bently, B. Sherman, & D. Borges Barbosa et al., *Exclusions from Patentability and Exceptions and Limitations to Patentees' Rights*, WIPO document SCP/15/3, Annex 1, dated Sept. 2, 2010, *available at* http://www.wipo.int/edocs/mdocs/scp/en/scp_15/scp_15_3-annex1.pdf.

serve as guidelines for countries seeking to support a robust public domain?

Against this background, the present article explores the notion of the public domain with regard to trademark law. It will be argued that a broad conception of the public domain is appropriate—a conception that, besides signs unencumbered by trademark rights, includes user freedoms resulting from a limited scope of protection. By surveying the universal rules laid down in international treaties, four categories of preservation tools can be distinguished on this basis: a general bar to trademark protection, the exclusion based on a sign's lack of distinctiveness, inherent limits of exclusive rights and the adoption of exceptions (see Part II below). After this conceptual clarification, the use of the identified preservation mechanisms in EU trademark law will be analyzed to illustrate the role that the different tools can play in safeguarding the public domain (see Part III below). The EU is an interesting example because it reflects a regional rather than national approach that includes countries from both the continental-European and the Anglo-American tradition. The analysis gives rise to the question whether the EU approach can serve as a model for other regions (see Parts IV and V below).

II. TRADEMARK LAW AND THE PUBLIC DOMAIN

In the trademark system, as in other fields of intellectual property, public domain material plays an important role. A reservoir of signs available for common use offers traders equal access to communication tools that can be used to inform consumers about product characteristics and compete for market shares. Freedom to use descriptive signs and generic indications ensures that merchants can easily convey information about their goods or services.⁴ A commons of functional product elements further enhances competition by supporting the development of product alternatives.⁵

4. Cf. A. Peukert, *Die Gemeinfreiheit* 26-27 (Tübingen: Mohr Siebeck, 2012); T. Sambuc, *Das Freihaltebedürfnis an beschreibenden Angaben und der Ware selbst nach dem Markengesetz*, *Gewerblicher Rechtsschutz und Urheberrecht* 403 (1997). For a critical comment on the need to keep free in trademark law, see J. Phillips, *Trade Mark Law and the Need to Keep Free—Intellectual Property Monopolies Have Their Limits*, 36 *Int'l Rev. Intell. Prop. & Competition Law* 389 (2005).

5. For a court decision confirming this rationale underlying the functionality doctrine, see the decision of the Court of Justice of the European Union, judgment of June 18, 2002, Case C-299/99, *Philips/Remington*, ¶ 78: "The rationale of the grounds for refusal of registration laid down in Article 3(1)(e) of the Directive is to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors. Article 3(1)(e) is thus intended to prevent the protection conferred by the trade mark right from being extended, beyond signs which serve to distinguish a product or service from those offered by competitors, so as to form an obstacle preventing competitors from freely offering for sale

Besides the interest in free and fair competition, signs in the public domain also satisfy speech interests of the general public. If signs of particular significance, such as cultural and religious symbols, are freely available for all, their meanings and connotations can be discussed and developed in an open communication process that is not dominated by an individual rights owner. They also remain free for political, educational, social, and cultural purposes.⁶

Besides the interest in a reservoir of signs free for common use, the public interest in the availability of signs also concerns trademarks enjoying protection. This public interest is closely related to political and artistic freedom of expression. As observed by Professor Dreyfuss, trademarks

have become products in their own right, valued as indicators of the status, preferences, and aspirations of those who use them. Some trademarks have worked their way into the English language; others provide bases for vibrant, evocative metaphors. In a sense, trademarks are the emerging lingua franca: with a sufficient command of these terms, one can make oneself understood the world over, and in the process, enjoy the comforts of home.⁷

As trademarks have become focal points of communication—densely packed information units “infused with sets of denotations and associated connotations”—loss of the possibility to use trademarks might impede the ability to communicate.⁸ Against this background, Dreyfuss described the need to continue to allow the expressive use of the associations and meanings triggered by a trademark.⁹ Commentators should be free to use trademarks as a basis for criticizing an enterprise’s policies. Artists should be able to include trademarks in their creative productions. Consumers

products incorporating such technical solutions or functional characteristics in competition with the proprietor of the trade mark.”

6. For a more detailed analysis of the need to keep signs of cultural and religious significance free, see K. Assaf, *Der Markenschutz und seine kulturelle Bedeutung*, Gewerblicher Rechtsschutz und Urheberrecht Int'l 1 (2009); M.R.F. Senftleben, *Der kulturelle Imperativ des Urheberrechts*, in *Kunst im Markt* 75 (M. Weller, N.B. Kemle, T. Dreier, P.M. Lynen eds., Baden-Baden: Nomos, 2010); C. van Woensel, *Merk, god en verbod* (Amstelveen: deLex 2007). However, see also M. Richardson, *Trade Marks and Language*, 26 Sydney L. Rev. 193, 213-215 (2004), who argues for the adoption of an incentive rationale in trademark law that seeks to stimulate popular brand culture and new brand language.

7. R.C. Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 Notre Dame L. Rev. 397, 398 (1990).

8. *Id.* at 415. See also K. Aoki, *How the World Dreams Itself to be American: Reflections on the Relationship Between the Expanding Scope of Trademark Protection and Free Speech Norms*, 17 Loy. L.A. Ent. L. Rev. 523, 542-43 (1997).

9. Dreyfuss, *supra* note 7, at 415-418.

should be free to refer to trademarks as symbols of a particular lifestyle or attitude.¹⁰

It has also been pointed out that the richness of associations and meanings attached to a trademark is not solely attributable to the trademark owner; rather, it is the result of efforts of both trademark owners and consumers. The consuming public frequently imbues trademarks with connotations distinct from and sometimes unrelated to the advertising messages conveyed by the trademark owner.¹¹ The entitlement of the general public to the use of trademarks in social and cultural discourse, therefore, can also be seen as the result of the public's own contributions to the association of complex meanings and connotations with particular trade symbols.

Given the diversity of stakeholders and interests involved, it is of particular importance to develop an appropriate definition of the "public domain" in trademark law—a definition broad enough to lend sufficient weight to the social, cultural, and economic interests ranging from fair competition to freedom of speech, and narrow enough to leave room for the attainment of the objectives underlying trademark protection.

10. Cf. P. Gulasekaram, *Policing the Border Between Trademarks and Free Speech: Protecting Unauthorized Trademark Use in Expressive Works*, 80 Wash. L. Rev. 887 (2005). For an overview of the debate on trademark law and freedom of expression, see W. Sakulin, *Trademark Protection and Freedom of Expression—An Inquiry into the Conflict between Trademark Rights and Freedom of Expression under European Law* (The Hague/London/New York: Kluwer Law International 2010); C. Geiger, *Marques et droits fondamentaux*, in Les défis du droit des marques au XXI^e siècle, 163 (C. Geiger/J. Schmidt-Szalewski eds., Strasbourg: Litec 2010); R. Burrell & D. Gangjee, *Trade Marks and Freedom of Expression: A Call for Caution*, 41 Int'l Rev. Intell. Prop. Comp. L. 544 (2010); M. Nasser, *Trade Marks and Freedom of Expression*, 40 Int'l Rev. Intell. Prop. & Comp. L. 188 (2009); L. Ramsey, *Increasing First Amendment Scrutiny of Trade Mark Law*, 61 SMU L. Rev. 381 (2008); W. McGeeveran, *Four Free Speech Goals for Trademark Law*, 18 Fordham Intell. Prop. Media & Ent. L.J. 1205 (2008); Christophe Geiger, "Constitutionalising" Intellectual Property Law? *The Influence of Fundamental Rights on Intellectual Property in the European Union*, 37 Int'l Rev. Intell. Prop. Competition L. 371, 395-397 (2006); P.N. Leval, *Trademark: Champion of Free Speech*, 27 Colum. J.L. & Arts 187 (2004); K.L. Timbers & J. Huston, *The "Artistic Relevance Test" Just Became Relevant: The Increasing Strength of the First Amendment as a Defense to Trademark Infringement and Dilution*, 93 TMR 1278 (2003); R. Cooper Dreyfuss, *Reconciling Trademark Rights and Expressive Values: How to Stop Worrying and Learn to Love Ambiguity*, in *Trademark Law and Theory: A Handbook of Contemporary Research* 261 (G.B. Dinwoodie & M.D. Janis eds., Cheltenham: Edward Elgar Publishing 2008).

11. Cf. D.R. Gerhardt, *Consumer Investment in Trademarks*, 88 N.C. L. Rev. 101 (2010); L.A. Heymann, *The Public's Domain in Trademark Law: A First Amendment Theory of the Consumer*, 43 Ga. L. Rev. 651 (2009); J. Litman, *Breakfast with Batman: The Public Interest in the Advertising Age*, 108 Yale L.J. 1, 15-16 (1999); S. Wilf, *Who Authors Trademarks?*, 17 Cardozo Arts & Ent. L.J. 1 (1999); A. Kozinski, *Trademarks Unplugged*, 68 N.Y.U. L. Rev. 960 (1993); L.P. Ramsey, *Brandjacking on Social Networks: Trademark Infringement by Impersonation of Markholders*, 58 Buffalo L. Rev. 851 (2010). However, see the critical comments on the limitation of trademark rights made by M. Richardson, *Trade Marks and Language*, 26 Sydney L. Rev. 193 (2004).

In scholarly literature, several definitions have arisen from reflections on the meaning and function of the public domain.¹² Providing a general overview, Professor Samuelson identified different conceptual approaches, including definitions based on the legal status of public domain material and definitions focusing on freedom to use protected intellectual creations.¹³ Legal status definitions typically consider as “public domain” material that is unencumbered by intellectual property rights. They focus on material that is ineligible for protection, or that no longer enjoys protection after the expiry of protection (see Part II.A below). Public domain definitions focusing on freedom of use, by contrast, allow for the development of a broader concept of the public domain. Instead of asking whether material is completely free from trademark protection, they pose the question whether and to what extent material can be used freely, notwithstanding another party’s trademark rights (see Part II.B below). To arrive at an appropriate understanding of how trademark law can contribute to the preservation of the public domain, it is advisable to consider both approaches (see Part II.C below).

A. Definitions Based on Legal Status

Under typical legal status definitions, in order for any material to be considered “public domain,” it must be completely unencumbered by intellectual property rights. Trademark law, however, does not draw a fixed temporal boundary line between that which is private and subject to individual ownership, and that which is public and part of the intellectual commons. In principle, protection can be maintained as long as the trademark owner continues to use the protected sign and renews its registration.¹⁴

12. For a discussion of different conceptions of the public domain, see the contributions to *The Future of the Public Domain—Identifying the Commons in Information Law* (L.M.C.R. Guibault & P.B. Hugenholtz eds., The Hague/London/New York: Kluwer Law International 2006); and J. Boyle ed., *The Public Domain*, 66 Law & Contemp. Probs. (2003), available at <http://scholarship.law.duke.edu/lcp/vol66/iss1/>. With regard to the foundations of the debate on the public domain, see D. Lange, *Recognizing the Public Domain*, 44 Law & Contemp. Probs. 147 (1981); J. Litman, *The Public Domain*, 39 Emory L.J. 965 (1990). As to the debate on the freedom of speech underpinning, see D.L. Zimmerman, *Is There a Right to Have Something to Say? One View of the Public Domain*, 73 Fordham L. Rev. 297 (2004); Y. Benkler, *Through the Looking Glass: Alice and the Constitutional Foundations of the Public Domain*, 66 Law & Contemp. Probs. 173 (2003). For an overview of different aspects of the public domain in relation to trademark law, see Peukert, *supra* note 4, at 18-37.

13. P. Samuelson, *Enriching Discourse on Public Domains*, 55 Duke L.J. 783, 816-823 (2006). As to problems in tracing the conceptual contours of the public domain, see P. Samuelson, *Challenges in Mapping the Public Domain* in: Guibault/Hughenoltz, *supra* note 12, at 7, 13-17.

14. See Article 18 of the TRIPS Agreement: “Initial registration, and each renewal of registration, of a trademark shall be for a term of no less than seven years. The registration of a trademark shall be renewable indefinitely.” The requirement of use follows from Article 19 of the TRIPS Agreement.

Trademark law thus does not guarantee the enrichment of the public domain through a limited term of protection (see Part II.A.1 below). However, it leaves signs unaffected that do not satisfy basic protection requirements, such as distinctiveness and graphical representation (see Part II.A.2 below). Moreover, certain signs, i.e., functional signs or statutorily protected symbols, are generally excluded from registration and protection as trademarks (see Part II.A.3 below).

1. No Contribution to Public Domain on the Basis of a Limited Term of Protection

Trademark law seeks to ensure *market transparency*. In a transparent market where distinctive signs are exclusively linked with the goods or services stemming from one individual commercial source, an enterprise can clearly identify its offer in the marketplace, and consumers can easily individualize different offers and express their preference by selecting one specific product or service.¹⁵ This, in turn, will help the public's preferred suppliers, products and services to prevail in the marketplace. Contributing to the regulation of supply and demand in this way, trademark law supports the proper functioning of markets. The guarantee of market transparency through trademark protection ensures fair competition between market participants and the protection of consumers against confusion.

Trademark law would not be able to realize these objectives if the term of protection were strictly limited. A temporal limitation would have the effect that all market participants could freely use the trademark after the expiry of protection. In consequence, consumers could no longer rely on the trademark as an indicator of commercial source. The trademark could no longer contribute to market transparency and fair competition. It would lose its identifying function and the capacity to support the proper functioning of the market. For this reason, the trademark owner can renew the registration of the trademark indefinitely.¹⁶ The rule of indefinite renewal allows an enterprise to uphold the exclusive link with its trademarks as long as it keeps using them

15. Cf. D. Gervais, *The TRIPS Agreement: Drafting History and Analysis* 266 (London: Sweet & Maxwell, 3d ed. 2008). With regard to the economic search costs argument that is related to this function of trademarks, see J. Griffiths, *A Law-and-Economic Perspective on Trade Marks*, in *Trade Marks and Brands—An Interdisciplinary Critique* 241 (L. Bently, J. Davis & J.C. Ginsburg eds., Cambridge: Cambridge University Press 2008); M. Strasser, *The Rational Basis of Trademark Protection Revisited: Putting the Dilution Doctrine into Context*, 10 *Fordham Intell. Prop. Media & Ent. L.J.* 375, 379-382 (2000). With regard to questions arising in the digital environment, see S. L. Dogan & M.A. Lemley, *Trademarks and Consumer Search Costs on the Internet*, 41 *Hous. L. Rev.* 777 (2004).

16. Article 18 of the TRIPS Agreement.

in trade.¹⁷ The distinctiveness of trademarks used in the market can thus be preserved, and consumers and the public at large are not misled.

Copyrights and patents, by contrast, necessarily expire after a limited term, thus ensuring the constant enrichment of the public domain. The reason for this fundamental difference lies in different rationales of protection. Copyright law and patent law seek to offer an incentive and reward for the creation of intellectual property, and support its disclosure and dissemination. Protection thus expires after a period of time that is deemed sufficient to secure the intended incentive and reward.¹⁸ The constant enrichment of the public domain is a corollary of the grant of protection.¹⁹

Even without a similar rationale, trademark protection need not last forever. The registration of a trademark that is no longer used in the marketplace may be cancelled after an uninterrupted period of at least three years of inexcusable non-use.²⁰ As a result, the sign concerned becomes available anew for other market participants—at least to the extent that national law allows other market participants to adopt it after cancellation. The cancellation action, however, will normally be brought by a competitor who wishes to use an identical or similar sign.²¹ Cancellation based on non-use, therefore, does not necessarily ensure that the sign will return to the public domain and become freely available for all.

17. As Article 19 of the TRIPS Agreement indicates, use may be required to maintain a trademark's registration. The registration may be cancelled after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner.

18. See Article 7 of the Berne Convention and Article 33 of the TRIPS Agreement with regard to the international minimum terms of protection in the field of copyright and patent law.

19. See M.D. Birnhack, *More or Better? Shaping the Public Domain*, in Guibault & Hugenholtz, *supra* note 12, at 59-60: "... least under an instrumentalist view of copyright law, the public domain is not merely—or rather should not be—an unintended byproduct, or 'graveyard' of copyrighted works, but its very goal." Cf. Dussolier, *supra* note 3, at 6-7, for a discussion of different notions of public domain in the field of copyright and related rights. For an analysis focusing on the furtherance of creativity, see J.E. Cohen, *Copyright, Commodification, and Culture: Locating the Public Domain*, in Guibault & Hugenholtz, *supra* note 12, at 121, 157-164. For an overview of issues concerning the relationship between patent protection and the public domain, see Phillips, *supra* note 3, at 32-37. With regard to concerns about a shrinking public domain of science and potential remedies, see G.B. Dinwoodie & R.C. Dreyfuss, *Patenting Science: Protecting the Domain of Accessible Knowledge*, in Guibault & Hugenholtz, *supra* note 12, at 191, 209-221.

20. Cf. Article 19 of the TRIPS Agreement, which also clarifies that cancellation does not take place where the trademark owner had valid reasons based on the existence of obstacles to genuine use. In national or regional trademark systems, different terminology—in particular the term "revocation"—may be used. See, e.g., Article 51 of the Community Trade Mark Regulation 207/2009.

21. For instance, see the situation underlying CJEU, Mar. 11, 2003, Case C-40/01, *Ajax/Ansul*.

Signs that have become generic, by contrast, become generally available for the public at large. Registered trademarks that constitute generic expressions can be invalidated on the grounds that they have become customary identifiers of specific goods or services in current language.²² In national legislation, however, the invalidation based on genericism may depend on whether the trademark owner contributed to the process rendering the trademark generic, or failed to take measures against this development.²³ A trademark, therefore, does not necessarily fall into the public domain automatically when it becomes a customary expression in current language.

On balance, it is thus to be conceded that trademark law, being incapable of providing for a limited term of protection, does not seem to offer much support for the public domain.²⁴ The crucial question, then, is whether trademark law offers sufficient safeguards against the acquisition of trademark rights—and potential encroachment upon the public domain—by setting forth strict criteria for determining eligibility for trademark protection. Do the eligibility criteria applied in trademark law offer sufficient room for excluding signs from protection that should remain in the public domain?

22. At the international level, Article 6*quinquies*(B) No. 2 of the Paris Convention reflects genericism as a ground for refusing *telle quelle* (as is) registration and protection of trademarks stemming from other Paris Union Members.

23. In the Benelux, for instance, Article 2.26(2)(b) of the Benelux Treaty on Intellectual Property allows the invalidation only in cases where the trademark owner contributed to the process rendering the trademark generic or failed to take measures against this development.

24. This conclusion may be nuanced by considering the interplay between property rights and the enrichment of the public domain described by E.M. Salzberger, *Economic Analysis of the Public Domain*, in Guibault & Hugenholtz, *supra* note 12, at 27, 55: “Let us assume that the government changes the designation of particular common land into private property, this piece of land is subsequently purchased by an individual on which she builds an architectural masterpiece. This new building is privately owned in the sense that no one can enter the building, use it, sell it, or eliminate it save its private owner or under her permission. But the pleasure of viewing the building for the rest of the community, the inspiration it creates, its contribution to future architectural plans can be regarded as an enlargement of the public domain.” In this vein, it might be argued that trademark protection—even though being potentially renewed indefinitely—still enlarges the public domain by adding complex meanings to a formerly undeveloped sign in the public domain. Nonetheless, the fact remains that, in contrast to creations protected by copyright or patent law, trademarked signs with rich connotations do not automatically fall into the public domain after a limited period of time. Moreover, the question arises whether the diverse meanings attached to a trademark primarily stem from the trademark owner. In this latter regard, see the literature references *supra* note 11.

2. Conditional Exclusion Following from the Requirement of Distinctiveness as a Criterion for Trademark Protection

For a sign to constitute a trademark, it must be capable of distinguishing the goods or services of one undertaking from those of other undertakings.²⁵ Signs that do not fulfill this basic eligibility criterion, such as nondistinctive, descriptive, and generic signs,²⁶ remain outside the protection system and thus unencumbered by trademark rights. They remain part of the public domain.

However, a sign that is not inherently distinctive may, over time and as a result of use and advertising, acquire the capacity to distinguish goods or services.²⁷ A nondistinctive, descriptive, or generic sign may thus become a trademark—and be removed from the public domain—the moment it acquires the necessary distinctiveness as a consequence of use in trade.²⁸ This additional rule can be understood to make inroads into the public domain:

25. See Article 15(1) of the TRIPS Agreement. As to the question whether this provision requires WTO Members to automatically accept each and every sign or combination of signs capable of distinguishing goods or services for trademark registration and protection, see C.M. Correa, *Trade-Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement*, 179-180 (Oxford: Oxford University Press 2007), referring to the WTO Appellate Body decision in *United States—Section 211 Omnibus Appropriations Act of 1998*, WTO Document WT/DS176/AB/R, dated Jan. 2, 2002, ¶ 155: “Identifying certain signs that are capable of registration and imposing on WTO Members an obligation to make those signs eligible for registration in their domestic legislation is not the same as imposing on those Members an obligation to register automatically each and every sign or combination of signs that are capable of and eligible for registration under Article 15.1. This Article describes which trademarks are ‘capable of registration. It does not say that all trademarks that are capable of registration ‘shall be registered.’”

26. These categories of signs ineligible for trademark protection are reflected in the absolute grounds for refusal of many countries. See also the international regulation of *telle quelle* protection in Article 6quinquies(B) No. 2 and 6quinquies(A)(1) of the Paris Convention. Cf. M. Pflüger, *PC, Article 6quinquies*, in *Concise International and European IP Law* 235-241 (T. Cottier & P. Véron eds., Alphen aan den Rijn: Kluwer Law International, 2d ed. 2011); H.P. Kunz-Hallstein, *Article 6quinquies PVÜ – Grundlage einer einheitlichen Eintragungspraxis von Marken in der Gemeinschaft?*, *Markenrecht* 487 (2006); F.K. Beier, *Unterscheidungskraft und Freihaltebedürfnis—Zur Markenschutzfähigkeit individueller Herkunftsangaben nach § 4 WZG und Article 6quinquies PVÜ*, *Gewerblicher Rechtsschutz und Urheberrecht International* 243 (1992); S.P. Ladas, *II Patents, Trademarks, and Related Rights—National and International Protection*, 1211-1240 (Cambridge, Massachusetts: Harvard University Press 1975); G.H.C. Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property*, WIPO Publication No. 611 113-119 (Geneva: BIRPI 1969).

27. This is also reflected in Article 15(1) of the TRIPS Agreement: “Where signs are not inherently capable of distinguishing the relevant goods or services, Members may make registrability depend on distinctiveness acquired through use.”

28. National law may also exclude the acquisition of trademark rights with regard to certain types of these signs altogether. U.S. trademark law, for instance, does not offer the possibility of acquiring distinctive character through use in the case of generic signs. Cf. B. Beebe, *Report on Canada and the United States of America*, in *Senftleben, supra* note 2, at 69, 82-83.

trademark protection relating to signs that belonged to the public domain can result from marketing efforts that educate consumers to perceive a formerly nondistinctive, descriptive, or generic sign as a reference to one particular commercial source. Once the required link is established in the minds of consumers, the sign may be protected as a trademark. The exclusion from trademark protection is thus *conditional* on the absence of acquired distinctiveness.

Considering the rationales underlying trademark law, it may be said that trademark law seeks to recognize the marketing efforts made by an individual trader and protect consumers against confusion by providing for the possibility of acquiring distinctiveness through use in trade. The moment a nondistinctive, descriptive, or generic sign is perceived as a reference to one particular commercial source, it seems to become necessary, from this perspective, to inhibit other traders from using that particular sign.²⁹ The boundary line between trademark protection and the public domain, then, depends on the requirements established by trademark offices and the courts to determine whether distinctive character has been acquired through use.

3. Unconditional Exclusion from Trademark Protection

The exclusion of signs from trademark protection can be stricter when it is based on the fundamental notion that a trademark cannot constitute an essential feature of the product or service to which it is attached. A trademark, by definition, is a source identifier attached to goods or services. It is not the product or service as such. For instance, a shape that is required to obtain a particular technical result may be held to be ineligible for trademark protection because it constitutes an indispensable feature of the product itself rather than serving as a mere badge of origin. The same rationale can be invoked with regard to aesthetic features affecting the product's value or quality: rather than constituting identifiers of commercial source, these essential features define the product itself. Accordingly, the view may be held that they cannot be regarded as trademarks.³⁰

29. For a critique of the circularity in this line of argument, see L.P. Ramsey, *Descriptive Trademarks and the First Amendment*, 70 Tenn. L. Rev. 1095, 1150 (2003); R.C. Denicola, *Trademarks as Speech: Constitutional Implications of the Emerging Rationales for the Protection of Trade Symbols*, Wis. L. Rev. 158, 170 (1982).

30. In this sense, Supreme Court of Canada, Nov. 17, 2005, *Kirkbi AG/Ritvik Holdings Inc.*, 2005 S.C.C. 65, ¶ 46. As to the different lines of argument developed in this case, see B.W. Stratton & H. Lue, *Lego v. Mega Bloks in the Supreme Court of Canada: Ephemeral Rights in Toy Bricks*, 96 TMR 587 (2006); R.S. Levy, *The Lego Case: The Supreme Court of Canada Makes it Harder to Protect Product Shapes as Trademarks*, 96 TMR 596 (2006); R.H.C. MacFarlane & C.M. Pallotta, *Kirkbi Ag and Lego Canada Inc v. Ritvik Holdings Inc.: A Review of the Canadian Decisions*, 96 TMR 575 (2006). See also Peukert, *supra* note 4, at

In the case of utilitarian or aesthetic functionality, the exclusion from trademark protection may thus be applied more strictly than in the case of nondistinctive, descriptive, or generic signs. In national legislation, signs necessary to obtain a technical result or adding substantial value or quality to the product may generally be excluded from protection as a trademark, even if the sign concerned has acquired distinctive character as a result of the use made of it in trade. The exclusion from trademark protection, in other words, may be *unconditional* in the sense that signs of this nature cannot be removed from the public domain through the acquisition of trademark rights, notwithstanding that such signs may have acquired distinctiveness as source identifiers.³¹

Further instances of an unconditional exclusion from trademark registration and protection are reflected in international trademark law. In the context of the regulation of *telle quelle* protection in Article 6*quinquies* of the Paris Convention, it is pointed out that Paris Union countries are not obliged to accept for registration and protection signs duly registered in other countries of the Union “when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public.”³²

Furthermore, Article 6*ter* of the Paris Convention excludes from registration and use as trademarks, or elements of trademarks, “armorial bearings, flags, and other State emblems, of the countries of the Union, official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a heraldic point of view.”³³

Therefore, international trademark law recognizes the need to exclude certain official signs from trademark protection. It also

23-25, recognizing the distinction between trademark and trademarked product as a basis for exclusions from protection.

31. For instance, see *supra* Supreme Court of Canada, ¶¶ 40 & 46; CJEU, Sept. 14, 2010, Case C-48/09 P, *Lego/Mega Brands*, ¶¶ 40 & 47.

32. Article 6*quinquies*(B) No. 3 of the Paris Convention.

33. Article 6*ter*(1)(a) and (b) of the Paris Convention. The same rule applies to armorial bearings, flags, other emblems, abbreviations, and names, of international intergovernmental organizations. *Id.* See also WIPO Document SCT/15/3, dated Oct. 14, 2005, *Article 6ter of the Paris Convention: Legal and Administrative Aspects*, available at <http://www.wipo.int/sct>. For commentary, see cf. M. Pflüger, *PC, Article 6quinquies*, in *Concise International and European IP Law* 229-233 (T. Cottier & P. Véron eds., 2d ed., Alphen aan den Rijn: Kluwer Law International 2011); G. Pacek, *Marks as Imitations of State Emblems “From a Heraldic Point of View,”* 4 J. Intell. Prop. L. & Prac. 673 (2009); S.P. Ladas, *II Patents, Trademarks, and Related Rights—National and International Protection* 1240-1247 (Cambridge, Massachusetts: Harvard University Press 1975); G.H.C. Bodenhausen, *Guide to the Application of the Paris Convention for the Protection of Industrial Property*, WIPO Publication No. 611 94-99 (Geneva: BIRPI 1969); G. Ronga, *Der Schutz von Kennzeichen zwischenstaatlicher Organisationen nach der Pariser Verbandsübereinkunft*, *Gewerblicher Rechtsschutz und Urheberrecht International* 148 (1966).

leaves discretion to national authorities with regard to the identification of signs that are inappropriate for trademark registration and protection because of a conflict with morality or public order, or their deceptive nature. On this basis, signs can be excluded from trademark protection, irrespective of whether the sign concerned is distinctive or not.³⁴

An exclusion from trademark registration may also follow from practical requirements concerning the trademark register. For a sign to be entered in a traditional analogue register, it must be capable of graphical representation. In line with Article 15(1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), national law may also require, as a condition of registration, that signs be visually perceptible. These registration requirements become particularly relevant in the case of nontraditional trademarks. A smell or sound mark, for instance, is not visually perceptible. A smell mark may also be held not to be capable of graphical representation.³⁵ As a result, smell and/or sound may remain outside the trademark protection system altogether.

B. Definitions Based on Freedom of Use by Competitors or the Public

Definitions focusing on freedom to use intellectual creations offer a more expansive view of the public domain. Besides material that is unencumbered by intellectual property rights, this broader approach allows the inclusion of forms of use that, even though an intellectual creation enjoys protection, fall outside the scope of the exclusive rights of the rights owner.³⁶ In the context of trademark law, this broader perspective is of particular interest. Inherent limits to trademark rights (see Part II.B.1 below) and the freedom of national lawmakers to adopt limited exceptions (see Part II.B.2 below) can lead to the exemption of several forms of socially, culturally, and economically important use from the control of the trademark owner and concomitant strengthening of the public domain.

34. With regard to the question whether an exclusion from registration and use as a trademark because of a “cultural offence,” or the grant of trademark protection in a defensive sense, might also be appropriate in the area of signs and emblems of indigenous peoples, see S.R. Frankel, *Third-Party Trade Marks as a Violation of Indigenous Cultural Property—A New Statutory Safeguard*, 8 J. World Intell. Prop. 83 (2005).

35. This is the position taken by the Court of Justice of the European Union (CJEU). See CJEU, Dec. 12, 2002, Case C-273/00, R. Sieckmann.

36. For a public domain conception of this type, see Y. Benkler, *Free as the Air to Common Use: First Amendment Constraints on Enclosure of the Public Domain*, 74 N.Y.U. L. Rev. 354, 361-162 (1999), where Benkler argues for including “use generally considered permissible, absent peculiar facts to the contrary.” Cf. also the similar approach developed by R.P. Merges, *A New Dynamism in the Public Domain*, 71 U. Chi. L. Rev. 183, 184 (2004).

1. Inherent Limits of Exclusive Rights

The exclusive rights of trademark owners are inherently limited in several respects. In contrast to copyright law, trademark law does not grant a general right of “reproduction” or a general right of “communication to the public.”³⁷ In contrast to patent law, trademark law does not grant a general right of “making” and “using.”³⁸ In principle, trademark protection against confusion covers only those goods or services with which the trademark is used or registered, or goods or services closely related thereto. The scope of exclusivity may be broader in countries extending protection to confusion about affiliation, sponsorship, or approval. However, a claim based on protection against confusion requires a showing of likelihood of confusion.³⁹ Moreover, unauthorized use is actionable only as long as it takes place in the course of trade. In several national systems, this basic infringement criterion is accompanied by a further requirement of use “as a trademark.” Because of this additional requirement, use may not be actionable if it is unlikely to be perceived as an indication of commercial origin by consumers.

With regard to the aim to preserve the public domain, these inherent limits of trademark rights in the field of protection against confusion are of particular importance. Even if trademark protection is acquired, exclusive trademark rights do not enable the trademark owner to exert unlimited control over the use of the sign concerned. Noncommercial use for private, religious, cultural, educational, or political purposes may fall outside the scope of the exclusive right because it does not constitute use in the course of trade. Mere references to the protected trademark, for instance in the context of news reporting, criticism, review, or parody, may not be actionable as long as the reference is not understood as an indication of commercial source.

However, the trademark rights awarded to ensure protection against confusion offer sufficient legal security for substantial investment in the sign concerned. At least with regard to those goods or services, in respect of which the sign is used or registered as a trademark, the trademark owner can rely on exclusive rights. In consequence, the trademark becomes a channel of communication that the enterprise, provided that its marketing strategy is successful, can use to raise certain pictures,

37. See Article 9(2) of the Berne Convention and Article 8 of the WIPO Copyright Treaty.

38. Article 28(1)(a) of the TRIPS Agreement. However, see also J. Moskin, *Victoria's Big Secret: Whither Dilution Under the Federal Dilution Act?*, 93 TMR 842, 856-857 (2004), who insists on “a property right similar to copyright or patent.”

39. According to international standards, the existence of a likelihood of confusion shall be presumed only in double identity cases where a sign identical to the trademark is used for identical goods or services. See Article 16(1) of the TRIPS Agreement.

associations, and expectations in the minds of consumers. Through investment in advertising, an enterprise can educate consumers to associate a particular lifestyle or attitude with the trademark.⁴⁰ The process of adding these additional meanings to the trademark can result in the creation of a valuable brand image.⁴¹

The free “independent” meaning that the sign may have had prior to the acquisition of trademark rights, however, may be blurred by these marketing efforts. When, for instance, a sign of cultural significance is appropriated as a trademark, the sign’s original cultural meaning may gradually be superseded by commercial messages conveyed by the trademark owner. Even though use of the sign for private, educational, and cultural purposes does not necessarily fall within the scope of exclusive trademark rights, these forms of use outside the context of trade may still be influenced by the commercial meanings and connotations attached to the sign by the trademark owner.⁴² In the case of a sign of cultural significance enjoying cumulative copyright and trademark protection, for instance, trademark rights that are renewed after the expiry of copyright protection may influence the perception and use of the sign in a cultural context. Even though no longer protected under copyright laws, the sign, therefore, does not fall into the public domain in its entirety.

Moreover, in the case of well-known marks, trademark law provides for additional protection through dilution laws directed at third-party use of the mark on unrelated goods and services.⁴³

40. Cf. B. Beebe, *Search and Persuasion in Trademark Law*, 103 Mich. L. Rev. 2020, 2025-2026 (2005); J. Griffiths, *Law-and-Economic Perspective on Trade Marks*, in *Trade Marks and Brands—An Interdisciplinary Critique* 241, 255 (L. Bently & J. Davis & J.C. Ginsburg eds., Cambridge University Press 2008); R.S. Brown, *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 108 Yale L.J. 1619,1620 (1999); K.H. Fezer, *Entwicklungslinien und Prinzipien des Markenrechts in Europa— Auf dem Weg zur Marke als einem immaterialgüterrechtlichen Kommunikationszeichen*, Gewerblicher Rechtsschutz und Urheberrecht 457, 461-462 (2003); S. Casparie-Kerdel, *Dilution Disguised: Has the Concept of Trade Mark Dilution Made its Way into the Laws of Europe?*, 23 Eur. Intell. Prop. Rev. 185, 185-186 (2001); Dreyfuss, *supra* note 7, at 397-399; M. Lehmann, *Die wettbewerbswidrige Ausnutzung und Beeinträchtigung des guten Rufs bekannter Marken, Namen und Herkunftsangaben Die Rechtslage in der Bundesrepublik Deutschland*, Gewerblicher Rechtsschutz und Urheberrecht International 6,14-17 (1986).

41. See J.E. Schroeder, *Brand Culture: Trade marks, Marketing and Consumption*, in *Trade Marks and Brands—An Interdisciplinary Critique* 161 (L. Bently & J. Davis & J.C. Ginsburg eds., Cambridge University Press 2008).

42. See the literature references *supra* note 6.

43. Cf. Article 16(3) of the TRIPS Agreement. In addition, see Article 4(b)(ii) and (iii) WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, WIPO Publication No. 833, Geneva 2000, available at http://www.wipo.int/about-ip/en/development_ipawl/. For commentary, see N. Pires de Carvalho, *The TRIPS Regime of Trademarks and Designs* 343-382 (Austin/Boston/Chicago/New York: Wolters Kluwer 2011); D. Gervais, *The TRIPS Agreement: Drafting History and Analysis* 274-279 (London: Sweet & Maxwell, 3d ed. 2008); C.M. Correa, *Trade-Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement* 188-193 (Oxford: Oxford University Press 2007); A. Kur, *TRIPs and Trademark Law*, in *From GATT to TRIPs—The Agreement on*

Depending on the scope of the protection of well-known marks against dilution in national law, the trademark owner may be able to preclude unauthorized use of the protected sign in a manner that harms the highly distinctive character (blurring) or the reputation of the well-known mark (tarnishment), or unfairly exploits the mark's distinctiveness or reputation (unfair free-riding).⁴⁴ Anti-dilution protection of this type is not limited to the goods or services for which the trademark is registered. A showing of likely confusion is not a prerequisite to a successful dilution claim. The requirement of use as a trademark—in the sense that the allegedly dilutive use must be perceived as an indication of commercial source by consumers—may be relaxed as well.

In national systems providing for broad anti-dilution protection, concerns have been raised about adverse effects on freedom of expression.⁴⁵ Culturally and socially valuable forms of use, such as use for the purposes of news reporting, criticism, review, and parody, may be found to fall within the ambit of protection against dilution. As a result, trademarks that have become metaphors with complex meanings—not least because of contributions of the consuming public⁴⁶—may become unavailable for social and cultural discourse.

The impact of trademark rights on the public domain thus depends on the different layers of trademark protection. The acquisition of trademark rights does not afford the trademark owner unlimited control over the use of the protected sign. The various infringement criteria, ranging from use in the course of

Trade-Related Aspects of Intellectual Property Rights 93, 107-108 (F.K. Beier/G. Schricker eds., Weinheim 1996); A. Kur, *Die WIPO-Vorschläge zum Schutz bekannter und berühmter Marken* Gewerblicher Rechtsschutz und Urheberrecht 866 (1999). With regard to the question whether Article 16(3) of the TRIPS Agreement sets forth an obligation to adopt anti-dilution legislation at the national level, see particularly M. Handler, *Trademark Dilution in Australia?*, 29 Eur. Intell. Prop. Rev. 307 (2007).

44. Cf. the overview given by I. Simon Fhima, *The Actual Dilution Requirement in the United States, United Kingdom and European Union: A Comparative Analysis*, 12 B.U. J. Sci. & Tech. L. 271 (2006); M.R.F. Senftleben, *The Trademark Tower of Babel—Dilution Concepts in International, US and EC Law*, Int'l Rev. Intell. Prop. & Competition L. 40, 45 (2009); J.T. McCarthy, *Dilution of a Trademark: European and United States Law Compared*, 94 TMR 1163 (2004); K.H. Fezer, *Entwicklungslinien und Prinzipien des Markenrechts in Europa—Auf dem Weg zur Marke als einem immaterialgüterrechtlichen Kommunikationszeichen*, Gewerblicher Rechtsschutz und Urheberrecht 457, 464, 467 (2003); S. Casparie-Kerdel, *Dilution Disguised: Has the Concept of Trade Mark Dilution Made its Way into the Laws of Europe?*, 23 Eur. Intell. Prop. Rev. 185, 188 (2001); R.S. Brown, *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 108 Yale L.J. 1619, 1620 (1999); B. Beebe, *A Defense of the New Federal Trademark Antidilution Law*, 16 Fordham Intell. Prop. Media & Ent. L.J. 1143, 1146-1147, 1174 (2006); G.B. Dinwoodie & M.D. Janis, *Dilution's (Still) Uncertain Future*, 105 Mich. L. Rev. First Impressions 98 (2006). As to the foundations of the dilution doctrine, see F.I. Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813 (1927).

45. See Dreyfuss, *supra* note 7, at 405-407 and the literature references *supra* note 10.

46. See the literature references *supra* note 11.

trade to a likelihood of confusion or dilution, constitute inherent limits of trademark rights. Because of these inherent limits, protection against confusion may leave noncommercial use for private, cultural, religious, educational, or political purposes largely unaffected. Anti-dilution provisions for well-known marks, however, may give the trademark owner more general control over the use of the trademark, which can interfere with socially and culturally valuable use, such as use for news reporting, criticism, review, and parody.

2. Limited Exceptions

In addition to the outlined inherent limits of exclusive rights, trademark law offers room for exceptions that exempt certain forms of use from the control of the trademark owner and serve as defenses in infringement cases. At the international level, Article 17 of the TRIPS Agreement allows WTO members to:

... provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take account of the legitimate interests of the owner of the trademark and of third parties.

This international basis for the introduction of defenses at the national level has been interpreted in the framework of World Trade Organization (WTO) dispute settlement in the case *EC—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*.⁴⁷ Interpreting the requirement of “limited exceptions,” the WTO Panel embarked on the measurement of the extent to which a curtailment of exclusive trademark rights resulted from EC legislation requiring prior trademarks, in specific circumstances, to coexist with later

47. See WTO Document WT/DS174/R, ¶¶ 7.650-7.651, based on a complaint by the United States and the twin report WTO Document WT/DS290/R dealing with a parallel complaint by Australia. As to the interpretation of Article 17 of the TRIPS Agreement, the reports are identical in substance. Following references concern the report on the U.S. complaint. For comments on the WTO panel reports in the area of exceptions to intellectual property rights, see L.P. Ramsey, *Free Speech and International Obligations to Protect Trademarks*, 35 Yale J. Int'l L. 405, 436-443 (2010); M.R.F. Senftleben, *Towards a Horizontal Standard for Limiting Intellectual Property Rights?—WTO Panel Reports Shed Light on the Three-Step Test in Copyright Law and Related Tests in Patent and Trademark Law*, 37 Int'l Rev. Intell. Prop. & Competition L., p. 407 (2006); M. Ficsor, *How Much of What? The Three-Step Test and Its Application in Two Recent WTO Dispute Settlement Cases*, 192 Revue internationale du droit d'auteur 111 (2002); J. Oliver, *Copyright in the WTO: The Panel Decision on the Three-Step Test*, 25 Colum. J.L. & Arts 119 (2002); D.J. Brennan, *The Three-Step Test Frenzy—Why the TRIPS Panel Decision might be considered Per Incuriam*, Intell. Prop. Q. 213 (2002); J. Ginsburg, *Toward Supranational Copyright Law? The WTO Panel Decision and the “Three-Step Test” for Copyright Exceptions*, Revue internationale du droit d'auteur 13 (2001); P.B. Hugenholtz, *De wettelijke beperkingen beperkt. De WTO geeft de driestappentoets tanden*, Tijdschrift voor auteurs-, media- en informatierecht 197 (2000).

geographical indications.⁴⁸ Referring to the fair use example given in Article 17 of the TRIPS Agreement itself, the WTO Panel noted that fair use of descriptive terms was not limited in terms of the number of third parties who may benefit from the limited exception, nor in terms of the quantity of goods or services exempted under the limited exception.⁴⁹ Against this background, the panel held that the EC coexistence regime kept within these conceptual contours and could pass the limited exceptions test.⁵⁰

With regard to the remaining “legitimate interests” test of Article 17, the WTO Panel lent weight to the fact that the prohibition of an unreasonable prejudice to be found in corresponding tests in Articles 13 and 30 of the TRIPS Agreement had been omitted in the trademark provision. The panel inferred from this omission “a lesser standard of regard for the legitimate interests of the owner of the trademark.”⁵¹ However, every trademark owner had a legitimate interest in preserving the distinctiveness, or capacity to distinguish, of her trademark.⁵² In addition, consumers had a legitimate interest in being able to distinguish the goods or services of one undertaking from those of another, and to avoid confusion.⁵³ The EC coexistence regime allowed the refusal of the registration of a geographical indication in light of the reputation and renown of a prior trademark, and the length of time that a prior trademark had been used. Moreover, it addressed consumers by providing for the refusal of the registration of a geographical indication where the registration was liable to mislead consumers as to the true identity of the product. For these reasons, the panel was satisfied that the legitimate interests of the trademark owner and consumers had been taken into account.⁵⁴ International trademark law, therefore, offers breathing space for the adoption of exceptions to exclusive trademark rights. This additional flexibility can be used to exempt forms of use that are deemed particularly important for other traders or the public at large.

C. Public Domain in Relation to Trademark Law

In sum, an analysis of trademark law on the basis of different conceptions of the public domain—the legal status approach and

48. Doubts as to the adoption of this interpretation in a trademark context are raised by C.M. Correa, *Trade-Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement* 194 (Oxford: Oxford University Press 2007).

49. See WTO Panel—Trademarks, WTO Document WT/DS174/R, ¶ 7.654.

50. See WTO Panel—Trademarks, WTO Document WT/DS174/R, ¶ 7.659.

51. See WTO Panel—Trademarks, WTO Document WT/DS174/R, ¶ 7.671.

52. See WTO Panel—Trademarks, WTO Document WT/DS174/R, ¶ 7.664.

53. See WTO Panel—Trademarks, WTO Document WT/DS174/R, ¶ 7.676.

54. See WTO Panel—Trademarks, WTO Document WT/DS174/R, ¶¶ 7.666 & 7.677.

the freedom of use approach—leads to divergent results. Trademark law scores relatively low in terms of preservation of the public domain when the analysis is confined to material that is unencumbered by intellectual property rights. With no clear temporal limit of protection, trademark law fails to contribute to the constant enrichment of the public domain. Moreover, exclusions from protection based on the requirement of distinctiveness may be overcome through use in trade. Besides the absence of a definitive expiry of protection, the central criterion for obtaining protection is thus elastic. From the perspective of a legal status approach, trademark protection may be understood to make broader inroads into the public domain than other protection regimes with a different configuration, such as copyright and patent law.⁵⁵

However, trademark law may score relatively high when the public domain is understood to encompass user freedoms that remain after the acquisition of protection. Because of several inherent limits—the confinement to specific goods and services, use in the course of trade, use as a trademark and use likely to cause confusion—the exclusive rights attendant to trademark ownership may have a narrower ambit than the exclusive rights conferred on a copyright or patent owner. The impact of protection on the freedom to use protected material seems more limited than the impact of protection in several other fields of intellectual property law. This is true at least with regard to trademark systems that refrain from expanding protection against dilution to such an extent that trademark rights come close to the scope of the exploitation rights granted in copyright or patent law.⁵⁶

55. However, see also the critical comments on the elasticity of eligibility criteria in the area of copyright and patent protection by G.J. Maier/R.C. Mattson, *State Street Bank ist kein Ausreißer: Die Geschichte der Softwarepatentierung im US-amerikanischen Recht*, Gewerblicher Rechtsschutz und Urheberrecht—Internationaler Teil 677 (2001); R.P. Merges, *As Many as Six Impossible Patents Before Breakfast: Property Rights for Business Concepts and Patent System Reform*, 14 Berkeley Tech. L.J. 577 (1999); L.L. Weinreb, *Copyright for Functional Expression*, 111 Harv. L. Rev. 1150 (1998); S.E. Gordon, *The Very Idea! Why Copyright is an Inappropriate Way to Protect Computer Programs*, Eur. Intell. Prop. Rev. 10 (1998); A.A. Quaadvlieg, *Auteursrecht op techniek* (Zwolle: Tjeenk Willink 1987); A. Dietz, *Copyright Protection for Computer Programs: Trojan Horse or Stimulus for the Future Copyright System?*, 110 Archiv für Urheber-, Film-, Funk- und Theaterrecht 57 (1985).

56. With regard to this tendency in advanced trademark systems, see Senftleben, *supra* note 43, at 45; J. Moskin, *Victoria's Big Secret: Whither Dilution Under the Federal Dilution Act?*, 93 TMR 842 (2004); K.-H. Fezer, *Entwicklungslinien und Prinzipien des Markenrechts in Europa—Auf dem Weg zur Marke als einem immaterialgüterrechtlichen Kommunikationszeichen*, Gewerblicher Rechtsschutz und Urheberrecht 457 (2003); F. Pollaud-Dulian, *Marques de renommée—Histoire de la dénaturation d'un concept*, Propriétés intellectuelles 43 (2001); Strasser, *supra* note 15, at 375; R.S. Brown, *Advertising and the Public Interest: Legal Protection of Trade Symbols*, 108 Yale L.J. 1619 (1999); Dreyfuss, *supra* note 7, at 397.

Considering this mixed result (a low score from a legal status perspective, a potentially high score from a freedom of use perspective), both approaches must be factored into the equation. Otherwise, the analysis will be incomplete and imbalanced. In particular, measures taken to keep the expressive dimension of protected trademarks in the public domain would be overlooked in an analysis focusing exclusively on signs that are unencumbered by trademark rights.

In light of current international initiatives, a synthetic approach combining legal status and freedom of use perspectives also makes sense. It broadens the debate: besides a choice between black and white (public domain preservation in the case of excluded signs, encroachment upon the public domain in the case of protected signs), the inclusion of user freedoms following from inherent limits of exclusive rights and the adoption of exceptions allows the consideration of shades of gray (public domain preservation to a certain extent in the case of protected signs that remain usable in several respects). A synthetic approach thus adds flexibility by asking whether limitations on the scope of protection can be sufficient to strike a proper balance between the need to preserve the public domain and the interests served by trademark protection. This offers additional room for achieving consensus at the international level.

The public domain can therefore be understood to encompass in a trademark context all signs that are not currently protected as trademarks and all uses of protected signs that fall outside the scope of the exclusive rights of the trademark owner. This notion includes, in particular,

1. all signs that are generally excluded from trademark protection regardless of whether they are distinctive or not (unconditional exclusion);
2. all signs that do not satisfy the basic protection requirement of distinctiveness (conditional exclusion that can be overcome by showing distinctiveness acquired through use in trade);
3. all forms of use that cannot be controlled by the trademark owner because of inherent limits of exclusive rights (implicit freedom of use in the sense that it is derived from the definition of exclusive rights); and
4. all forms of use that cannot be controlled by the trademark owner because of the adoption of limited exceptions (explicit freedom of use in the sense that it follows from provisions specifically setting forth defenses against alleged infringement).

This synthetic conception of the public domain reflects preservation mechanisms that differ in degree of effectiveness. An

unconditional exclusion from protection ensures that the signs concerned cannot be removed from the public domain through the acquisition of trademark rights. By contrast, ineligibility for trademark protection as a result of a lack of distinctiveness is less absolute. The moment the obstacle to the acquisition of trademark protection is overcome through use in trade, the sign concerned will be removed from the public domain to the extent to which trademark protection is provided (conditional exclusion).

Similarly, forms of using protected signs may explicitly be exempted from the control of the trademark owner on the basis of a limited exception that provides a defense in infringement cases. User freedoms that are implicitly derived from inherent limits of trademark rights, by contrast, will become less reliable safeguards with every expansion of protection, in particular in the area of protection against dilution. In a national trademark system that provides only for traditional protection against confusion, the inherent limits of exclusive rights—the confinement to specific goods and services, use in the course of trade, use as a trademark, and use likely to cause confusion—can function as effective safeguards that exempt references to the protected mark in nonconfusing contexts from the control of the trademark owner. In a national system offering broad protection against dilution, the aforementioned inherent limits are likely to lose that safeguarding function to a large extent.

However, neither inherent limits nor explicit exceptions preclude the acquisition of trademark rights. It must therefore be considered that the trademark owner, as a result of the grant of protection, will be able to influence or even dictate the communication process surrounding the protected sign. Commercial connotations may be added to the sign that reduce its value for otherwise privileged forms of use, such as use for cultural or religious purposes. Hence, there is a qualitative difference between inherent limits of exclusive rights and limited exceptions on the one hand, and exclusions from protection on the other. An effective exclusion keeps signs free from trademark protection and does not provide an incentive for the attachment of marketing messages. This incentive does exist, however, when trademark protection is granted. Inherent limits of, and limited exceptions to, the exclusive rights of trademark owners are thus inadequate tools for the preservation of signs as part of an information commons that can freely be shaped and defined in the course of an open communication process. The contribution of these legal mechanisms to the preservation of the public domain is limited in comparison with an effective exclusion from trademark protection.

III. PUBLIC DOMAIN PRESERVATION IN THE EU

In the EU, trademark law is harmonized to a large extent. Trademark legislation and office practices in EU Member States have to keep within the harmonized legal framework set forth in the EU Trademark Directive⁵⁷ (TMD). Additionally, the EU Community Trade Mark Regulation⁵⁸ (CTMR) provides for a unitary Community Trade Mark (CTM) that has equal effect throughout the EU. As the CTMR is in line with the earlier Directive, the two legislative instruments constitute a robust body of harmonized EU trademark law. The harmonizing effect is enhanced by the fact that national courts have to refer questions relating to the application and interpretation of EU trademark law to the Court of Justice of the European Union (CJEU). The Court's decisions are binding for national courts.⁵⁹ The introduction of the CTM, moreover, led to the establishment of an EU institution complementing the trademark offices of EU Member States. CTMs are registered by the Office for Harmonization in the Internal Market (OHIM).

Given these common standards governing trademark law and practice in the EU, the following analysis of public domain preservation in the EU can be based predominantly on the rules following from the TMD and the CTMR, and the jurisprudence of the CJEU.⁶⁰ Nonetheless, examples of national or regional office practices and court decisions are added where this is appropriate to illustrate the effect of EU trademark law in national contexts. Moreover, the proposal of the European Commission for amending EU trademark legislation will be taken into account to shed light on areas where the EU itself sees a need for changes.⁶¹

57. Directive 2008/95/EC of the European Parliament and of the Council of October 22, 2008, to approximate the laws of the Member States relating to trade marks (codified version) (O.J. 2008 L 299, p. 25), which entered into force on November 28, 2008, and repealed the earlier Directive 89/104/EEC of the Council of December 21, 1988.

58. Council Regulation (EC) No. 207/2009 of February 26, 2009 (codified version) (O.J. 2009 L 78, p. 1) on the Community Trade Mark, which entered into force on April 13, 2009, and repealed the earlier Council Regulation (EC) No. 40/94 of December 20, 1993.

59. With regard to the impact of the CJEU on the harmonization of law in the EU, see the comparative analysis by K.J. Alter & L.R. Helfer, *Nature or Nurture? Judicial Lawmaking in the European Court of Justice and the Andean Tribunal of Justice*, 64 Int'l Org. 563 (2010).

60. The CJEU decisions referred to in this article are available online at <http://www.curia.eu>.

61. EU Commission, Proposal for a Directive of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks, March 27, 2013, Document COM (2013) 162 final, 2013/0089 (COD), available at http://ec.europa.eu/internal_market/indprop/tm/. For the preparatory in-depth analysis of EU trademark law underlying the Proposal, see Max Planck Institute for Intellectual Property and Competition Law, *Study on the Overall Functioning of the European Trade Mark System* (Munich: Max Planck Institute 2011), available at http://ec.europa.eu/internal_market/indprop/tm/index_en.htm.

The analysis will be structured in accordance with the preservation mechanisms identified in Part II. In fact, EU trademark law offers mechanisms that may be employed to safeguard the public domain in all above-described categories: unconditional exclusions from protection and exclusions conditional on a lack of distinctiveness (see Part III.A below), as well as implicit freedom of use that can be derived from inherent limits of protection and explicit freedom of use flowing from the adoption of exceptions that can serve as defenses (see Part III.B below).

A. Limitations or Exclusions from Trademark Protectability

In the EU, trademark rights may be acquired with regard to any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.⁶²

This definition leaves room for the extension of trademark protection to various nontraditional types of marks, the only limitations being that they can be represented graphically and can distinguish a party's goods or services.⁶³ Registrable signs include single colors⁶⁴ and sounds.⁶⁵ The recognition of these new types of marks enhances the need for safeguarding the public domain. With the recognition of shape marks, trademark rights may be acquired with regard to industrial or artistic designs that would otherwise belong to the public domain after the expiry of industrial design or

62. See Article 2 of the TMD and Article 4 of the CTMR.

63. With regard to the trend of recognizing more and more nontraditional types of marks in the EU, see I. Lewalter & P.T. Schrader, *Die Fühlmarke*, Gewerblicher Rechtsschutz und Urheberrecht 476 (2005); F. Hauck, *Aktuelle Entwicklungen bei der Eintragung von Farbmarken*, Gewerblicher Rechtsschutz und Urheberrecht 363 (2005); A. Kur, *Alles oder Nichts im Formmarkenschutz?*, Gewerblicher Rechtsschutz und Urheberrecht—International Teil 755 (2004); A. Bouvel, *Qu'importe le flacon . . . Le droit des marques malmené par les emballages*, Propriétés Intellectuelles 863 (2004); R. Arnet, *Markenschutz für Formen*, sic! 829 (2004); J. Pagenberg, *Trade Dress and the Three-Dimensional Marks—The Neglected Children of Trademark Law?*, 35 Int'l Rev. Intell. Prop. & Competition L. 831 (2004); M. Bölling, *Der EuGH und die abstrakte Farbmarke—Von der bewussten Entwertung einer Markenform*, Markenrecht 384 (2004); S. Bingener, *Das Wesen der Positionsmarke oder Wo die Positionsmarke hingehört*, Markenrecht 377 (2004); A. Firth & E. Gredley & S.M. Maniatis, *Shapes as Trade Marks: Public Policy, Functional Considerations and Consumer Perception*, Eur. Intell. Prop. Rev. 86 (2001).

64. See CJEU, judgment of May 6, 2003, Case C-104/01, *Libertel Groep/Benelux-Merkenbureau*.

65. See CJEU, judgment of November 27, 2003, Case C-283/01, *Shield Mark BV/Joost Kist h.o.d.n. Memex*.

copyright protection. With the recognition of sound marks, melodies having cultural significance may be removed from the public domain.

Additional kinds of nontraditional trademarks may be recognized in the future. The proposal for amendments to EU trademark legislation made by the European Commission seeks to replace the requirement of graphical representation with a more flexible standard of sufficiently precise representation.⁶⁶ Given this flexible approach to the eligibility of signs for trademark protection, it is of particular interest to study the scope of exclusions that can serve as a means of preserving the public domain (see Part III.A.1 below). Moreover, the question arises whether the exclusions of signs in EU trademark law can be overcome through use in trade (see Part III.A.2 below).

1. Scope of Exclusions

EU trademark law contains several absolute grounds for refusal that exclude signs from trademark registration because they must remain available for the public or for other traders. The public domain dimension has been recognized explicitly by the CJEU. In the decision *Windsurfing Chiemsee*, the Court explained that absolute grounds for refusal concerning descriptive signs served the public interest, namely that

descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks.⁶⁷

The CJEU acknowledged the public domain dimension also with regard to absolute grounds for refusal relating to shape marks.⁶⁸ In *Philips/Remington*, the CJEU explained that the rationale underlying the ground for refusal relating to shapes necessary to obtain a technical result was to prevent the extension of monopoly rights relating to technical solutions and enhance competition with regard to functional product characteristics.⁶⁹ The Court added that the refusal of registration pursued an aim that was in the public interest, “namely that a shape whose essential

66. See Article 3(1)(b) of the TMD amendment proposal, EU Commission, *supra* note 60, requiring that the trademark be “represented in a manner which enables the competent authorities and the public to determine the precise subject of the protection afforded to its proprietor.”

67. See CJEU, judgment of May 4, 1999, Cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, ¶ 25.

68. See Article 3(1)(e) of the TMD and Article 7(1)(e) of the CTMR.

69. See CJEU, judgment of June 18, 2002, Case C-299/99, *Philips/Remington*, ¶ 78.

characteristics perform a technical function and were chosen to fulfil that function may be freely used by all.”⁷⁰

Given the recognized need to keep descriptive signs and functional shapes available, the Court delineates the scope of the respective absolute grounds for refusal rather broadly. In *Windsurfing Chiemsee*, it held that, for the registration of a geographical name to be prohibited, it was not necessary to give evidence of a real, current, or serious need to leave the indication free. By contrast, it was sufficient that the geographical name was liable to be used as an indication of geographical origin with regard to a certain category of goods or services in the future.⁷¹

In respect of shapes necessary to obtain a technical result, the Court specified in *Lego/Mega Brands* that the ground for refusal could not be overcome by merely establishing that competitors could use alternative shapes to achieve the same technical result. The absolute ground for refusal applied irrespective of whether the shape at issue was the only one capable of obtaining the required technical result, or whether there were several shapes that were equivalent from a functional point of view.⁷² Similarly, the absolute ground for refusal concerning shapes that give substantial value to the goods applies not only when the value of a given shape is due to its inherent beauty and attractiveness.⁷³ It also covers shapes that acquired attractiveness as a result of advertising campaigns presenting the shape as a distinctive sign with a particular brand image.⁷⁴

In the area of official signs and emblems,⁷⁵ EU Member States are free to adopt an absolute ground for refusal referring to badges, emblems, and escutcheons that are of public interest but not covered by Article 6*ter* of the Paris Convention.⁷⁶ In addition,

70. See *id.*, ¶ 80.

71. See CJEU, judgment of May 4, 1999, Cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, ¶¶ 35-37.

72. See CJEU, judgment of June 18, 2002, case C-299/99, *Philips/Remington*, ¶¶ 81-83; judgment of September 14, 2010, Case C-48/09 P, *Lego/Mega Brands*, ¶¶ 53-58.

73. With regard to the exclusion from trademark registration in such cases, see Judgment of the General Court of the European Union, October 6, 2011, Case T-508/08, *Bang & Olufsen/OHIM*, ¶¶ 74-79.

74. See CJEU, judgment of September 20, 2007, Case C-371/06, *Benetton/G-Star*, ¶ 28.

75. See Article 3(1)(h) of the TMD and Article 7(1)(h) of the CTMR. As to the scope of this absolute grounds for refusal, see CJEU, judgment of July 16, 2009, Cases C-202/08 P and 208/08 P, *American Clothing Associates/OHIM*, ¶¶ 47 & 80.

76. See Article 3(2)(c) of the TMD. It may be invoked with regard to the official emblems of lower public entities, such as provinces and municipalities, and other public institutions, such as the police and the fire brigade. See, e.g., § 8(2) No. 6 of the Trademark Law of Germany; Article 5 of the Trademark Law of Malta, Article 131(2)(ii) of the Trademark Law of Poland, Article 238(4)(a) of the Industrial Property Code of Portugal, Article 5(1)(i) and (k) of the Trademark Law of Spain. These laws are available online at <http://www.wipo.int/wipolex/en>. The additional ground for refusal is also applied at CTM level. See Article 7(1)(i) of the CTMR.

EU Member States enjoy the freedom of excluding from registration signs of high symbolic value, in particular religious symbols.⁷⁷ This further ground for refusal may be understood to cover not only signs with a religious meaning, such as holy names, pictures, and icons, but also signs that, in light of a country's history and cultural traditions, are perceived as national symbols even though they do not constitute official state emblems. This may include historical and cultural monuments.⁷⁸ EU Member States that adopted this optional ground for refusal include Bulgaria, Czech Republic, Greece, Hungary, Italy, Latvia, Poland, Portugal, and Slovakia.⁷⁹ In other EU Member States, official emblems and signs of high symbolic value may be excluded from registration on the grounds that they are deceptive⁸⁰ or contrary to public policy or accepted principles of morality.⁸¹

With regard to signs having cultural significance but no high symbolic value, however, EU trademark law does not provide for specific grounds for refusal. Discussing the requirements for registering the first nine notes of the piano piece *Für Elise* in *Shield Mark/Kist*, Advocate General Colomer expressed the view that it was difficult to accept

that a creation of the mind, which forms part of the universal cultural heritage, should be appropriated indefinitely by a person to be used on the market in order to distinguish the goods he produces or the services he provides with an exclusivity which not even its author's estate enjoys.⁸²

77. See Article 3(2)(b) of the TMD.

78. See, e.g., Article 11(1), sub 11, of the Trademark Law of Bulgaria referring to "marks which consist of or include the name or a representation of historical and cultural monuments of the Republic of Bulgaria, as specified by the Ministry of Culture."

79. See Article 11(1), sub 11, of the Trademark Act of Bulgaria, § 2(1)(i) Act on Trademarks of the Czech Republic, Article 3(2)(a) of the Trademark Act of Greece, Article 3(2)(c) of the Trademark Law of Hungary, Article 10 of the Trademark Law of Italy, Article 6(1), sub 9, of the Trademark Law of Latvia, Article 131(2)(v) of the Trademark Law of Poland, Article 238(4)(b) of the Industrial Property Code of Portugal, § 5(1)(j) of the Trademarks Act of Slovakia. These laws are available online at <http://www.wipo.int/wipolex/en>.

80. See Article 3(1)(g) of the TMD and Article 7(1)(g) of the CTMR. The public may be misled to believe that the applicant has a connection with the public institution concerned.

81. See Article 3(1)(f) of the TMD and Article 7(1)(f) of the CTMR. This latter option may be applied to religious symbols. See, e.g., German Federal Patent Court, Nov. 2, 1993, *Gewerblicher Rechtsschutz und Urheberrecht* 377 (1994). In this decision, the German Federal Patent Court denied registration of the word mark "Messias" as a trademark for clothing, shoes and hats because of a conflict with morality and public order. However, the denial of registration on this basis seems less likely in the case of historical personages. See Dutch Supreme Court, judgment of October 28, 1948, published in *Bijblad bij de industriële eigendom*, 1949, p. 24. In this decision, the Dutch Supreme rejected the argument that registration of the name "Winston Churchill" as a trademark for cigars was contrary to morality or public order.

82. See Opinion of Advocate General Colomer of April 3, 2003, in Case C-283/01, *Shield Mark/Kist*, ¶ 52.

The CJEU, however, did not invoke this argument to exclude the first nine notes of *Für Elise* from trademark registration, instead paving the way for registration of melodies by holding that the requirement of graphical representation could be satisfied by providing standard musical notation.⁸³ Cultural significance as such, therefore, does not constitute an obstacle to registration. The particular recognition and popularity that a sign in the public domain enjoys does not hinder its appropriation as a trademark.⁸⁴

National court decisions confirm that cultural significance does not necessarily preempt registrability. The German Federal Patent Court, for instance, rejected an argument that registration of Leonardo da Vinci's *Mona Lisa* was contrary to public policy or accepted principles of morality, holding that appropriation of the *Mona Lisa* on the basis of trademark law would not violate the principle that cultural expressions should remain freely available for the public after the expiry of copyright protection.⁸⁵ Nevertheless, the court denied registration, holding that the applicant had failed to establish the requisite distinctiveness. As the painting was frequently used by third parties in advertising, the court held that the public would regard the *Mona Lisa* as a mere advertising instrument rather than as a unique indication of source. The court also held that, because of the frequent use in advertising, the painting had become customary in established trade practices.⁸⁶

In cases of “cultural heritage grabbing,” the registration of a sign of cultural significance may still be denied or invalidated because the application was made in bad faith. Such a case may arise where the applicant registers a sign of cultural significance without intending to make genuine use of the sign in trade. Instead, the applicant aims at exploiting the popularity of the cultural sign by using the registration as a vehicle to impose an obligation on other traders to obtain licenses for its use. The CJEU developed several factors that are relevant to the identification of

83. See CJEU, judgment of November 27, 2003, Case C-283/01, *Shield Mark/Kist*.

84. See also Dutch Supreme Court, judgment of March 5, 1999, Case no. 16812, C97/291, published in *Nederlandse Jurisprudentie* 2000, no. 306, ¶ 3.6. Instead of a cultural heritage sign, this decision concerned the sign “Route 66.”

85. See German Federal Patent Court, November 25, 1997, Case 24 W (pat) 188/96, *Mona Lisa*, *Gewerblicher Rechtsschutz und Urheberrecht* 1021, 1023 (1998).

86. *Id.* at 1022-1023. For case comments, see Senftleben, *supra* note 6, at 102-104; Assaf, *supra* note 6, at 5; A. Ohly, *Von einem Indianerhäuptling, einer Himmelscheibe, einer Jeans und dem Lächeln der Mona Lisa—Überlegungen zum Verhältnis zwischen Urheber- und Kennzeichenrecht, in Grundlagen und Grundfragen des Geistigen Eigentums, Festgabe für Diethelm Klippel zum 65. 203* (L. Pahlow & J. Eisfeld eds., Geburtstag, Tübingen: Mohr Siebeck 2008); F. Klinkert & F. Schwab, *Markenrechtlicher Raubbau an gemeinfreien Werken—ein richtungsweisendes “Machtwort durch den Mona Lisa-Beschluss des Bundespatentgerichts?”*, *Gewerblicher Rechtsschutz und Urheberrecht* 1067 (1999); W. Nordemann, *Mona Lisa als Marke*, *Wettbewerb in Recht und Praxis* 389 (1997).

bad faith applications. In particular, it may be relevant that the applicant knows or must know that a third party is using a sign identical or similar to the sign for which registration is sought, and that the applicant intends to prevent that third party from continuing to use the sign.⁸⁷

2. Effectiveness of Exclusions for Preservation of Public Domain

When assessing the contribution of these grounds for refusal to the preservation of the public domain, a fundamental difference between the provisions in EU trademark law must be taken into account: whereas the grounds for refusal relating to functional shapes cannot be overcome by showing that a shape has acquired distinctiveness as a result of use in trade (unconditional exclusion),⁸⁸ the grounds for refusal relating to nondistinctive, descriptive, and generic signs no longer apply when a sign of this nature has become distinctive because of the use made of it in trade (conditional exclusion).⁸⁹

In the jurisprudence of the CJEU, the conditional exclusion based on a lack of distinctiveness serves as the primary safeguard against the acquisition of trademark rights for nontraditional signs that should remain free for other traders or the public at large. In the decision *Henkel*, the Court pointed out that average consumers were not “in the habit of making assumptions about the origin of goods based on the shape of their packaging, in the absence of any graphic or word element.”⁹⁰

Therefore, it could prove more difficult according to the Court to establish distinctive character in the case of product packaging for which trademark protection is sought. Only a trademark that significantly departed from the norm or customs of the sector and

87. See CJEU, judgment of June 11, 2009, Case C-529/07, *Lindt/Hauswirth*, ¶ 53. For a more detailed analysis of bad faith trademark registrations, see A. Tsoutsanis, *Het merkdepot te kwader trouw*, (Deventer: Kluwer 2005); H. Helm, *Die bösgläubige Marken Anmeldung*, *Gewerblicher Rechtsschutz und Urheberrecht* 593 (1996). The introduction of an absolute ground for refusal with regard to bad faith applications is optional for EU Member States. See Article 3(2)(d) of the TMD. At the CTM level, bad faith constitutes an absolute ground for invalidity. See Article 52(1)(b) of the CTMR.

88. See Article 3(3) of the TMD and Article 7(3) of the CTMR. See also CJEU, judgment of June 18, 2002, Case C-299/99, *Philips/Remington*, ¶ 57; judgment of September 20, 2007, Case C-371/06, *Benetton/G-Star*, ¶¶ 25-27; judgment of September 14, 2010, Case C-48/09 P, *Lego/Mega Brands*, ¶ 47: “[t] follows, therefore, from Article 7(3) of the regulation that, even if a shape of goods which is necessary to obtain a technical result has become distinctive in consequence of the use which has been made of it, it is prohibited from being registered as a trade mark.”

89. As to the factors that will be considered in this context, see CJEU, judgment of May 4, 1999, Cases C-108/97 and C-109/97, *Windsurfing Chiemsee*, ¶ 51. As to the territorial reach, see CJEU, judgment of September 7, 2006, Case C-108/05, *Europolis*, ¶ 28.

90. See CJEU, judgment of February 12, 2004, Case C-218/01, *Henkel/DPMA*, ¶ 52; judgment of April 8, 2003, Cases C-53/01 to C-55/01, *Linde and others*, ¶ 48.

thereby fulfilled the function of an indication of commercial origin was not devoid of distinctive character.⁹¹ In *Libertel*, the Court used the same line of argument with regard to color *per se*.⁹² Distinctiveness without any prior use was inconceivable save in exceptional circumstances, and particularly where the number of goods or services for which the mark was claimed was very restricted and the relevant market very specific.⁹³

On the basis of this jurisprudence, the shape of products or their packaging and abstract colors are likely to be found devoid of distinctive character absent a showing that distinctive character has been acquired through use in trade. This additional hurdle can be regarded as the result of an effort made by the CJEU to safeguard the public domain.⁹⁴ In *Libertel*, the Court acknowledged that there was “a public interest in not unduly restricting the availability of colours for the other operators who offer for sale goods or services of the same type as those in respect of which registration is sought.”⁹⁵

It remains to be seen whether this effort to keep certain nontraditional signs available is sufficient. The CJEU's holdings related to the nondistinctiveness of product packaging or color *per se* may actually be counterproductive to the general intents to preserve free use of these signs by encouraging merchants to invest in marketing efforts that aim to educate consumers to see such product or packaging features as source identifiers. The more often the public is confronted with a shape mark or abstract color mark, the more alert it will be to the fact that, besides standard word and figurative marks, shapes and color *per se* may also indicate the commercial source of goods and services. As a result, the CJEU may have to revise its own assumptions about the distinctiveness of shapes and color *per se* in the near future. Arguably, the assumption of consumers not being “in the habit” of

91. See CJEU, judgment of February 12, 2004, Case C-218/01, *Henkel/DPMA*, ¶ 49.

92. See CJEU, judgment of May 6, 2003, Case C-104/01, *Libertel Groep/Benelux-Merkenbureau*, ¶ 65.

93. *Id.* ¶ 66.

94. The hurdle to be surmounted, however, need not necessarily be high. For instance, see German Federal Court of Justice, decision of July 9, 2009, Case I ZB 88/07, *ROCHER-Kugel*, published in *Gewerblicher Rechtsschutz und Urheberrecht* 138, ¶ 43 (2010), available at <http://www.bundesgerichtshof.de>: “In the case of a shape mark having characteristics that depart from the basic shape of the type of goods concerned, there is, as a general rule, no reason to assume that the threshold for acquiring distinctive character is particularly high.” Accordingly, the fact that 62 percent of the relevant public recognized the shape mark was deemed sufficient. With regard to color *per se*, the German Federal Patent Court held that, in a small market segment, a recognition of the color mark by 50 percent of the relevant public is sufficient in light of a considerable market share of the applicant on that particular market. See decision of December 9, 2008, Case 33 W (pat) 57/07, published in *Gewerblicher Rechtsschutz und Urheberrecht* 71 (2010).

95. CJEU, judgment of May 6, 2003, Case C-104/01, *Libertel Groep/Benelux-Merkenbureau*, ¶ 55.

perceiving signs of this type as a badge of origin becomes more and more doubtful with every trader who succeeds in linking a specific shape or color with her enterprise as the origin of goods or services in the minds of consumers.⁹⁶

A similar problem arises in respect of signs of cultural significance. The name and portrait of a famous artist, for instance, can be protected as a trademark in the EU.⁹⁷ An attempt to create a solid basis for the exclusion of such portraits from trademark protection has been made by the German Federal Patent Court in a case concerning the registration of a portrait photograph of the actress Marlene Dietrich. The Court did not content itself with the exclusion of trademark protection on the grounds that the photograph was devoid of distinctive character. This solution would have meant that the exclusion could be surmounted if distinctiveness is acquired through use in trade. Instead, the Court argued that the photograph constituted a mere reproduction of the goods for which registration was sought, and invoked the exclusion of “the shape which results from the nature of the goods themselves.”⁹⁸ Because of its unconditional character, the application of this shape exclusion would have been a remarkable step in keeping portraits of famous persons free from trademark protection. In contrast to an exclusion based on a lack of distinctiveness, the shape exclusions in EU trademark law, as pointed out above, cannot be overcome through use in trade.

In contrast to the Federal Patent Court, however, the German Federal Court of Justice saw no need to apply shape exclusions in this context.⁹⁹ Overruling the Patent Court’s decision, the Federal

96. Given the widespread recognition of MILKA LILAC (CTM registration 000031336 of October 27, 1999 (Kraft Foods)) and DEUTSCHE TELEKOM MAGENTA (CTM registration 000212787 of August 3, 2000 (Deutsche Telekom)) as abstract color marks in the EU, it may already be asked whether it is still correct to deny inherent distinctiveness in the case of eccentric colors, even though there is increased consumer awareness that color may serve as an indication of commercial source. UPS BROWN (CTM registration 000962076 of September 17, 2001 (United Parcel Service)) constitutes an additional example indicating that an abstract color may serve as a source identifier, even if it is much less exceptional.

97. See, e.g., CTM 001081314, BEETHOVEN; CTM 000945774, DESCARTES; CTM 001593128, ALBERT EINSTEIN; CTM 003805942, GOETHE; IR 0858800, HENRIK IBSEN; CTM 001358621, VINCENT VAN GOGH; CTM 005468996, MONA LISA; CTM 000021071 MOZART; CTM 001334036, PICASSO; CTM 000119354, REMBRANDT; CTM 004278214, SHAKESPEARE; CTM 003877354, GIUSEPPE VERDI; CTM 000047365, VERMEER; CTM 000996199, LEONARDO DA VINCI; CTM 003437811, ANDY WARHOL. For a description of the practice of granting portrait trademarks, see C. Gielen, *Portretmerk: een non-merk? in* *Commercieel Portretrecht* 113 (D.J.G. Visser ed., Amstelveen: deLex 2009).

98. Article 3(1)(e) of the TMD. See German Federal Patent Court, November 9, 2005, Case 29 W (pat) 147/03, *Porträtfoto Marlene Dietrich*, *Gewerblicher Rechtsschutz und Urheberrecht* 333, ¶ 4.2 (2006).

99. See German Federal Court of Justice, April 24, 2008, Case I ZB 21/06, *Marlene-Dietrich-Bildnis*, *Gewerblicher Rechtsschutz und Urheberrecht*, 1093, ¶ 11 (2008).

Court of Justice invoked the requirement of distinctiveness to refuse trademark protection in respect of goods and services concerning the work and life of the actress. The Court denied distinctiveness with regard to books, magazines, photographs, posters, CDs, DVDs, musical performances, and film productions on the ground that the photograph lacked the capability of indicating a commercial source. In respect of these goods and services, it would be perceived as a mere description of product contents.¹⁰⁰ However, the decision left the door open to the possibility of the Marlene Dietrich photograph becoming distinctive through use in trade.¹⁰¹

The Federal Court of Justice added that the portrait photograph was inherently distinctive with regard to merchandising articles, such as scarves, hats, shirts, and shoes. In this respect, it rejected the view expressed by the Federal Patent Court that consumers would perceive the portrait as a mere marketing tool and fail to understand that it served as an indication of commercial source.¹⁰² The Federal Court of Justice emphasized instead that the photograph did not necessarily need to be placed prominently on the articles. It could also be used as a label attached to the goods. Given this option of use as a badge of origin, distinctive character could not be denied.¹⁰³

B. Freedom of Use

Besides legal instruments that can be employed to keep public domain material free from trademark protection, EU trademark law offers certain freedoms of third-party use notwithstanding that trademark rights may exist in a sign. This breathing space follows from inherent limits of protection and the adoption of exceptions that can be invoked as defenses in infringement cases. The influence of inherent limits, however, is shrinking because the CJEU is seemingly reluctant to apply inherent limitations—the requirement of use in the course of trade and use in relation to goods or services—as gatekeepers to set limits on the scope of exclusive rights from the outset (See Part III.B.1 below). Against this background, the development of appropriate defenses plays an increasingly important role (see Part III.B.2 below).

100. See *id.* ¶¶ 12-15.

101. See *id.* ¶ 17.

102. See German Federal Patent Court, Nov. 9, 2005, Case 29 W (pat) 147/03, *Porträtfoto Marlene Dietrich*, Gewerblicher Rechtsschutz und Urheberrecht 333, ¶¶ 8.1 & 8.2 (2006).

103. See German Federal Court of Justice, April 24, 2008, Case I ZB 21/06, *Marlene-Dietrich-Bildnis*, Gewerblicher Rechtsschutz und Urheberrecht 1093, ¶¶ 19-22 (2008). See also German Federal Court of Justice, March 31, 2010, Case I ZB 62/09, *Marlene-Dietrich-Bildnis II*, Gewerblicher Rechtsschutz und Urheberrecht 825, ¶¶ 20-28 (2010).

1. Inherent Limits of Protection

For trademark rights to be invoked successfully under harmonized EU trademark law, it must be shown, first of all, that use of a conflicting sign has taken place “in the course of trade” (requirement of use in trade) and “in relation to goods or services” (requirement of use as a trademark). Under the aegis of the CJEU, these general protection requirements have been relaxed continuously. They do not necessarily constitute substantial hurdles for trademark owners seeking protection.

Use of a trademark constitutes “use in the course of trade” in the EU where it occurs “in the context of commercial activity with a view to economic advantage and not as a private matter.”¹⁰⁴ As interpreted, this test constitutes a rather low threshold. Nevertheless, it confines trademark rights to use that takes place in a commercial context. The use of a trademark for the purposes of private study, political debate, religious ceremonies, teaching, or academic research is unlikely to constitute “use in the course of trade” as long as it is of a purely noncommercial nature. Irrespective of the acquisition of trademark rights, a religious sign, therefore, remains available for strictly religious purposes. A sign of cultural significance remains available for strictly cultural purposes. However, use of a trademark in a religious, political, or cultural context may nevertheless be qualified as use in trade if it is combined with a commercial activity, such as marketing of T-shirts or postcards.¹⁰⁵

To qualify as relevant trademark use, an allegedly infringing use must, moreover, constitute use “in relation to goods or services.”¹⁰⁶ However, this requirement is applied flexibly by the CJEU instead of serving as a filter to exclude, from the outset, all instances where the trademark is not used in the traditional manner, i.e., to indicate commercial source.¹⁰⁷ Thus, a mere reference to a trademark may be sufficient to trigger an infringement action. For instance, use of a mark by a third party to

104. See CJEU, judgment of March 23, 2010, Cases C-236/08-238/08, *Google/Louis Vuitton et al.*, ¶ 50; CJEU, judgment of November 12, 2002, Case C-206/01, *Arsenal/Reed*, ¶ 40.

105. See, e.g., German Federal Court of Justice, judgment of February 3, 2005, Case I ZR 159/02, *Lila Postkarte*, published in *Gewerblicher Rechtsschutz und Urheberrecht*, 583 (2005); Paris Court of Appeals, 14th chamber, § A, judgments of February 26, 2003, in the cases *Greenpeace France/Esso* and *SPCEA/Greenpeace et al.*, published in 35 *Int'l Rev. Intell. Prop. Competition L.* 342 (2004). For commentary, see C. Geiger, *Trade Marks and Freedom of Expression—the Proportionality of Criticism*, 38 *Int'l Rev. Intell. Prop. & Competition Law* 317 (2007). For a comprehensive overview of relevant case law in different EU Member States, see Sakulin, *supra* note 10.

106. See Article 5(1) and (2) of the TMD and Article 9(1) of the CTMR.

107. This stricter test, however, was mentioned with regard to the traditional identification function of trademarks in CJEU, judgment of January 25, 2007, Case C-48/05, *Opel/Autec*, ¶ 24.

inform the public about repair and maintenance services for trademarked products has been found to constitute trademark use.¹⁰⁸ The CJEU also held that use in comparative advertising constituted trademark use, because the advertiser used her competitor's trademark to distinguish her own products from those of the competitor.¹⁰⁹ In addition, the Court assumed that there was relevant trademark use where a third party used a company, trade, or shop name in such a way that a link was established with the goods or services offered by that third party.¹¹⁰

In light of this elastic standard, use of a trademark as an embellishment, rather than as a traditional indicator of source, was held to constitute actionable trademark use. In the German case *Lila Postkarte*, the defendant sold postcards that parodied trademarks and advertising campaigns of the chocolate producer Milka. On purple background corresponding to Milka's abstract color mark, the postcards sought to ridicule the nature idyll with cows and mountains that is evoked in Milka advertising. The postcards bore the following poem, attributed to "Rainer Maria Milka":

“Über allen Wipfeln ist Ruh,
irgendwo blökt eine Kuh.
Muh!”¹¹¹

Assessing this ironic play with Milka insignia, the German Federal Court of Justice confirmed the weakness of the requirement of use “in relation to goods or services.” It held that for the use of Milka trademarks to constitute trademark use in this sense, it was sufficient that the postcard called to mind the well-known Milka signs.¹¹² The inherent limitation of trademark rights to use “as a trademark” thus proved to be an insufficient safeguard of the

108. See CJEU, judgment of February 23, 1999, Case C-63/97, *BMW/Deenik*, ¶ 42.

109. See CJEU, judgment of June 12, 2008, Case C-533/06, *O2/Hutchison*, ¶¶ 35-36. As to advertising on the basis of services offered by an Internet search engine, use of a competitor's trademark as a keyword for a sponsored link with one's own advertising has been found to constitute trademark use on similar grounds. See CJEU, judgment of March 23, 2010, Cases C-236/08-238/08, *Google/Louis Vuitton et al.*, ¶ 71.

110. See CJEU, judgment of September 11, 2007, Case C-17/06, *Céline*, ¶ 23. See also CJEU, February 19, 2009, Case C-62/08, *UDV/Brandtraders*, ¶ 47. The emphasis on the criterion of a mere link with the goods or services offered under a conflicting sign was particularly confirmed in cases dealing with keyword advertising. See CJEU, 23 March 2010, Cases C-236/08-238/08, *Google/Louis Vuitton et al.*, ¶ 72; July 12, 2011, Case C-324/09, *L'Oréal/eBay*, ¶ 92.

111. “It is calm above the tree tops, somewhere a cow is bellowing. Moo!” See German Federal Court of Justice, February 3, 2005, Case I ZR 159/02, *Lila Postkarte*, *Gewerblicher Rechtsschutz und Urheberrecht* 583 (2005). Cf. C. Born, *Zur Zulässigkeit einer humorvollen Markenparodie—Anmerkungen zum Urteil des BGH “Lila Postkarte,”* *Gewerblicher Rechtsschutz und Urheberrecht* 192 (2006).

112. See the reference to CJEU, judgment of October 23, 2003, Case C-408/01, *Adidas/Fitnessworld*, ¶ 39, in German Federal Court of Justice, February 3, 2005, Case I ZR 159/02, *Lila Postkarte*, *Gewerblicher Rechtsschutz und Urheberrecht* 584 (2005).

freedom to make a trademark parody.¹¹³ Nevertheless, the Court ultimately found in favor of the defendant, invoking the open-ended defense of use with “due cause,” which the German Trademark Act provides in line with Article 5(2) of the TMD. Weighing Milka’s concerns about a disparagement of the trademarks against the fundamental guarantee of the freedom of art, the Court concluded that the freedom of art had to prevail in light of the ironic statement made with the postcard.¹¹⁴

Besides the general criteria of “use in the course of trade” and “use in relation to goods or services,” EU trademark law sets forth specific infringement criteria relating to protection against confusion and protection against dilution. These specific infringement criteria also shape the relationship between trademark law and the public domain: the more strictly they are applied, the more freedom of use remains for other traders and the public at large. In the area of protection against confusion, for instance, a limited scope of protection may result from a low degree of distinctiveness.¹¹⁵ In the case *Picasso/Picaro*, the CJEU had to decide on an opposition lodged against the registration of the word sign PICARO on the basis of the earlier Community Trade Mark PICASSO. The case concerned use for vehicles. The Court assumed in this context that, “confronted with the word sign PICASSO, the relevant public inevitably sees in it a reference to the painter.”¹¹⁶ Against this background, the Court concluded that

given the painter’s renown with that public, that particularly rich conceptual reference is such as greatly to reduce the resonance with which, in this case, the sign is endowed as a mark, among others, of motor vehicles.¹¹⁷

Therefore, the scope of protection against confusion may remain limited in the case of signs of cultural significance.¹¹⁸ It

113. The potential safeguarding function of this general infringement criterion is further reduced in EU Member States extending trademark protection to forms of use “other than for the purposes of distinguishing goods or services.” See Article 5(5) of the TMD and Article 2.20(1)(d) of the Benelux Treaty Concerning Intellectual Property. Cf. F. Henning-Bodewig, *Nicht markenmäßiger Gebrauch und Article 5 Abs. 5 Markenrichtlinie*, Gewerblicher Rechtsschutz und Urheberrecht—Internationaler Teil 301 (2008), with regard to the influence of Article 5(5) of the TMD on national unfair competition law in other EU Member States.

114. See German Federal Court of Justice, February 3, 2005, Case I ZR 159/02, *Lila Postkarte*, Gewerblicher Rechtsschutz und Urheberrecht 584-585 (2005).

115. The degree of distinctiveness is one of the factors to be considered in the framework of the infringement analysis. See CJEU, judgment of September 29, 1998, Case C-39/97, *Canon/Cannon*; judgment of June 22, 1999, Case C-342/97, *Lloyd/Loint’s*.

116. See CJEU, judgment of January 12, 2006, Case C-361/04 P, *Picasso/Picaro*, ¶ 27.

117. *Id.* ¶ 27.

118. Deviations from the registered trademark or a different way of presenting the sign on goods or services may be sufficient to minimize a potential risk of confusion and mitigate the corrosive effect of cultural heritage grabbing. See, e.g., Austrian Supreme Court, decision of March 23, 2010, Case 17 Ob 18/09k, *Gute Laune Tee*, published in *Gewerblicher*

may also be difficult to establish that a sign of cultural significance has become a mark with a reputation eligible for anti-dilution protection.¹¹⁹

The situation seems to be different, however, where a trademark consists of a sign that has cultural significance but is not widely known among the consuming public. A name, symbol or melody taken from a culturally important but relatively unknown work is unlikely to have a broadly recognized cultural connotation capable of weakening the recognition of the sign as an indication of commercial origin. Who thinks of Nike, the Greek goddess of victory, when seeing the NIKE trademark?¹²⁰ Who is aware of culturally important signs of indigenous communities?¹²¹

Given the relatively low threshold for acquiring anti-dilution protection in the EU, unknown signs with cultural significance may even become eligible for enhanced protection against dilution. In contrast to other trademark systems requiring recognition among the general consuming public, niche reputation is sufficient under EU trademark law.¹²² For a trademark to constitute a mark with a reputation, it must be known by the target group of the goods or services marketed under the trademark. In the case of specific products, this target group may be a specialized public, such as traders in a specific sector. The required degree of knowledge is reached when the mark is known by a significant part of the relevant public.¹²³

Once reputation is established, EU trademark law offers anti-dilution protection covering blurring, tarnishment, and unfair free-

Rechtsschutz und Urheberrecht Int. 82 (2011); German Federal Court of Justice, judgment of November 19, 2009, Case I ZR 142/07, MIXI, published in *Gewerblicher Rechtsschutz und Urheberrecht* 729, ¶¶ 27-29 (2010), available at <http://www.bundesgerichtshof.de>.

119. Cf. EU Court of First Instance, June 30, 2009, Case T-435/05, Danjaq/OHIM, ¶¶ 26-31, rejecting the argument that the sign “Dr. No” had become a well-known mark in the sense of Article 6bis of the Paris Convention. Cf. A. Ohly, *Areas of Overlap Between Trade Mark Rights, Copyright and Design Rights in German Law—Report Prepared on Behalf of the German Association for the Protection of Intellectual Property*, *Gewerblicher Rechtsschutz und Urheberrecht—Internationaler Teil* 704, 709 (2007).

120. With regard to these and further examples, see Assaf, *supra* note 6, at 2-3.

121. As to the problem of misappropriation of signs of indigenous communities, see S.R. Frankel, *Trademarks and Traditional Knowledge and Cultural Intellectual Property Rights*, in *Trademark Law and Theory: A Handbook of Contemporary Research* 433 (G.B. Dinwoodie & M.D. Janis eds., Cheltenham: Edward Elgar 2008); C. Visser, *Culture, Traditional Knowledge, and Trademarks: a View from the South*, in *id.* at 464; J. Pak, *Re-imagining the Wheel: Seeking a Feasible International Regime to Protect Indigenous Cultural Expressions Through Trademark Law*, 24 *Pacific McGeorge Global Business and Development L.J.* 381 (2011); P.J. Chalk & A. Dunlop, *Indigenous Trade Marks and Human Rights: An Australian and New Zealand Perspective*, 99 *TMR* 956 (2009); M. Rimmer, *Australian Icons: Authenticity Marks and Identity Politics*, 3 *Indigenous L.J.* 139 (2004).

122. Cf. Senftleben, McCarthy, and Beebe, *supra* note 44.

123. See CJEU, judgment of September 14, 1999, Case C-375/97, General Motors/Yplon, ¶¶ 24 & 26. In respect of the territorial expansion required, see *id.* ¶ 28; and judgment of October 6, 2009, Case C-301/07, Pago/Lattella, ¶ 29.

riding both in competitive and noncompetitive situations.¹²⁴ The evidence to be produced need not necessarily include proof of a change in the economic behavior of consumers. In respect of the taking of unfair advantage, it suffices to show that

a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark.¹²⁵

Moreover, the CJEU refused to consider the need to keep protected signs available when determining the scope of protection. In the decision *Adidas/Marca*, the Court explained that it was clear that the requirement of availability was

extraneous both to the assessment of the degree of similarity between the mark with a reputation and the sign used by the third party and to the link which may be made by the relevant public between that mark and the sign.¹²⁶

2. Exceptions to Exclusive Rights

The proprietor of a trademark is not entitled under EU trademark law to prohibit a third party from using descriptive indications in the course of trade, provided that the use takes place in accordance with “honest practices in industrial or commercial matters.”¹²⁷ If trademark protection is acquired with regard to a descriptive sign, this exception ensures that the public and other traders can still use the sign for the purpose of indicating the characteristics of goods or services. For instance, a geographical

124. See CJEU, judgment of January 9, 2003, Case C-292/00, *Davidoff/Gofkid*. As to the scope of protection offered in cases of marks having a reputation, see particularly CJEU, judgment of June 18, 2009, Case C-487/07, *L'Oréal/Bellure*. Cf. M.R.F. Senftleben, *Trade Mark Protection—A Black Hole in the Intellectual Property Galaxy?*, 42 *Int'l Rev. Intell. Prop. & Competition L.*, 383 (2011); A. Ohly, *Keyword-Advertising auf dem Weg von Karlsruhe nach Luxemburg*, *Gewerblicher Rechtsschutz und Urheberrecht* 709, 711-712 (2009); A. Kur, L. Bently & A. Ohly, *Sweet Smells and a Sour Taste—the ECJ's L'Oréal Decision*, Max Planck Institute for Intellectual Property, Competition and Tax Law Research Paper Series No. 09-12, available at <http://ssrn.com/abstract=1492032>.

125. CJEU, judgment of June 18, 2009, Case C-487/07, *L'Oréal/Bellure*, ¶ 49. However, see judgment of November 27, 2008, Case C-252/07, *Intel/CPM*, ¶ 77, with regard to blurring and tarnishment where evidence of a change in consumer behavior may be required. Cf. A. Bouvel, *Marques et renommée: À propos de l'arrêt "Intel" rendu par la Cour de justice des communautés européennes le 27 novembre 2008 (aff. C-252/07)*, in *Les défis du droit des marques au XXI^e siècle* 123 (C. Geiger & J. Schmidt-Szalewski eds., Strasbourg: Litec 2010); A.A. Quaadvlieg, *INTEL en verwatering: Economisch gedrag en juridisch bewijs*, *Bijblad bij de industriële eigendom* 253 (2009); A.A. Quaadvlieg, *Herkomst- en goodwillinbreuk in het merkenrecht na INTEL en l'Oréal*, *Ars Aequi* 799 (2009); S. Middlemiss & S. Warner, *The Protection of Marks with a Reputation: Intel v CPM*, *Eur. Intell. Prop. Rev.* 326, 331-332 (2009). For a critical comment on intuitive protection against free-riding as a species of unjust enrichment law, M.A. Lemley & M.P. McKenna, *Owning Mark(ets)*, 109 *Mich. L. Rev.* 137 (2010).

126. CJEU, judgment of April 10, 2008, Case C-102/07, *Adidas/Marca*, ¶ 43.

127. See Article 6(1)(b) of the TMD and Article 12(b) of the CTMR.

name that has become a trademark remains available for use as an indication of the geographical origin of goods or services from the area concerned. As long as the user of a geographical term is not found to be unfairly competing with the proprietor of the trademark, the exception may even cover use of the indication as part of the labelling of products having the geographical origin.¹²⁸ The exception may also justify the unauthorized use of product packaging. As the CJEU elaborated in the decision *Henkel*, “the possibility that the packaging might describe the characteristics of the product, including its quality, cannot be ruled out.”¹²⁹ In such a case, the exception thus also ensures the availability of a descriptive shape.

Similarly, commercial use may be justified in light of the exemption of descriptive use, if a sign of cultural or religious significance is perceived by the public as an indication of product characteristics rather than an indication of origin. The indications “Mozarttorte” (Mozart cake) and “Mozartkugel” (Mozart ball), for instance, are likely to be perceived as an indication of a particular type of cake or chocolate product by the consuming public in several EU Member States. Against this background, use of these indications—in the sense of information about product characteristics—is unlikely to give rise to a conflict with the Community Trade Mark MOZART.¹³⁰

If a sign becomes a mark with a reputation, it enjoys, as explained above, not only protection against confusion but also protection against blurring, tarnishment, and unfair free-riding. In this area of enhanced protection against dilution, trademark rights cannot successfully be invoked, if the defendant’s use of the trademark is made with “due cause.”¹³¹ As the *Lila Postkarte* decision shows, this open-ended due cause defense can be employed to offer room for trademark parody. More generally, it may justify use for the purposes of criticism and review. By finding that unauthorized use was made with due cause, courts in the EU can thus ensure that trademarked signs remain available for

128. See CJEU, judgment of January 7, 2004, Case C-100/02, *Gerolsteiner Brunnen/Putsch*, ¶¶ 15 & 26.

129. See CJEU, judgment of February 12, 2004, Case C-218/01, *Henkel/DPMA*, ¶ 42.

130. See Higher Court of Appeals München, judgment of July 26, 2001, Case 29 U 6000/00, published in *Gewerblicher Rechtsschutz und Urheberrecht-Rechtsprechungsreport* 12, 13 (2002). In the meantime, the Community Trade Mark has been invalidated because of its descriptive character with regard to “pastry and confectionary, chocolate products and sugar confectionary.” See EU Court of First Instance, judgment of July 9, 2008, Case T-304/06, *Paul Reber/OHIM*, ¶ 99. As to the distinction between use as a trademark and use as a product description, see V. Di Cataldo, *The Trade Mark with a Reputation in EU Law—Some Remarks on the Negative Condition “Without Due Cause,”* 42 *Int’l Rev. Intell. Prop. & Competition* L. 833, 838-840 (2011).

131. See Article 5(2) of the TMD and Article 9(1)(c) of the CTMR.

public debate, even if they become marks with a reputation.¹³² In *Interflora/Marks & Spencer*, the CJEU also recognized a due cause defense with regard to unauthorized use of a trademark aiming to inform consumers about alternative offers in the marketplace.¹³³ The “due cause” defense, therefore, also serves as a means of enhancing competition by keeping protected signs available for use by other traders.

Further exceptions to trademark rights in the EU concern use of one’s own name or address in the course of trade,¹³⁴ and use necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts.¹³⁵ Moreover, on the basis of EU legislation in the field of misleading and comparative advertising,¹³⁶ the CJEU established an additional exception covering the use of a trademark in permissible comparative advertising, provided that such use satisfies all conditions following from EU legislation in that area.¹³⁷ References to another’s trademark in comparative advertising, or advertising indicating the intended purpose of goods or services, thus need not constitute trademark infringement even though it may constitute, as discussed above, relevant “use in relation to goods or services” under the elastic test of trademark use applied by the CJEU.

IV. A MODEL FOR OTHER REGIONS?

The analysis of EU trademark law shows that all four preservation mechanisms identified in Part II above—conditional and unconditional exclusions from trademark protection, inherent limits, and explicit exceptions to exclusive rights—are used with regard to certain categories of signs. In the field of exclusions, the

132. As to the role of the due cause defense in safeguarding freedom of expression, see also German Federal Court of Justice, March 11, 2008, Case VI ZR 7/07, *Gen-Milch*, Neue Juristische Wochenschrift 2110 (2008); District Court of Amsterdam, December 22, 2006, Case KG ZA 06-2120, *Denk vooruit*, Intellectuele eigendom en reclamerecht 139 (2007); Paris Court of Appeals, February 26, 2003, *Greenpeace/Esso*, 35 Int’l Rev. Intell. Prop. & Competition L. 342 (2004). For an overview of case law, see Sakulin, *supra* note 10; C. Geiger, “Constitutionalising” Intellectual Property Law? *The Influence of Fundamental Rights on Intellectual Property in the European Union*, 37 Int’l Review of Intell. Prop. & Comp. L. 371 (2006); C. Rohnke, K. Bott, K.-U. Jonas & S. Asschenfeldt, *Konflikte zwischen Markenrechten und dem Recht auf freie Meinungsäußerung*, Gewerblicher Rechtsschutz und Urheberrecht—Internationaler Teil 419 (2005).

133. CJEU, September 22, 2011, Case C-323/09, *Interflora/Marks & Spencer*, ¶ 91.

134. See Article 6(1)(a) of the TMD and Article 12(a) of the CTMR.

135. See Article 6(1)(c) of the TMD and Article 12(c) of the CTMR.

136. See the Misleading Advertisement Directive 84/450 of September 10, 1984, as amended by the Comparative Advertisement Directive 97/55 of October 6, 1997. These two Directives are now consolidated in the Misleading and Comparative Advertisement Directive 2006/114/EC of December 12, 2006.

137. See CJEU, June 12, 2008, Case C-533/06, *O2/Hutchison*, ¶ 45; CJEU, June 18, 2009, Case C-487/07, *L’Oréal/Bellure*, ¶ 54.

system places much reliance on the requirement of distinctiveness as a preservation tool. In particular with regard to nontraditional trademarks and signs of cultural significance, this approach raises the question whether EU trademark law provides incentives that are counterproductive to the preservation of the public domain, in the sense that they may actually encourage merchants to invest in the acquisition of distinctiveness through use with regard to signs that constitute important public domain material (see Part IV.A below). As to safeguards for freedom of use, a need for additional exceptions comes to the fore after extensions of EU trademark rights that weakened inherent limits to the scope of protection, in particular the broad interpretation of what constitutes actionable use as a trademark. Analysis of EU trademark law thus yields the insight that mere reliance on inherent limits of trademark rights may be insufficient as a strategy to safeguard user freedoms (see Part IV.B below).

A. Reliance on the Requirement of Distinctiveness

As explained above, the CJEU posited that consumers were not in the habit of making assumptions about the commercial origin of goods or services simply on the basis of product shapes or color *per se*.¹³⁸ Thus, these types of marks are, except in very limited circumstances, not inherently distinctive. As there is a possibility of acquiring distinctiveness through use in trade, however, the bar to trademark protection remains surmountable and unpredictable. In essence, EU trademark law leaves the decision on trademark protection for shapes and color *per se* to the marketing efforts of traders and the impact of these efforts on the perception of consumers. Absent the hope or expectation of judicially recognized exclusivity, enterprises might be reticent to invest heavily in efforts to create commercial association of source with respect to shapes or color *per se*. Under current EU law, however, enterprises are likely to see the possibility of acquiring trademark rights as an incentive to invest in signs of this type. The EU trademark system may thus provide a *de facto* incentive for enterprises to invest in advertising campaigns educating consumers to perceive a shape or individual color as an indication of commercial source.

From the perspective of public domain preservation, this approach is problematic. Given the additional inroads into the public domain that result each time a new type of mark is recognized, it may be argued that the aim to preserve the public domain should prevail. The counterargument of a risk of consumer

138. CJEU, judgment of February 12, 2004, Case C-218/01, Henkel/DPMA, ¶ 52; judgment of April 8, 2003, Cases C-53/01 to C-55/01, Linde and others, ¶ 48; judgment of May 6, 2003, Case C-104/01, Libertel Groep/Benelux-Merkenbureau, ¶ 65.

confusion can be unmasked as a circular line of reasoning: without the loophole of obtaining distinctiveness through use in trade as a basis for the acquisition of trademark rights, there would be less legal security for investment in new types of marks. Marketing campaigns aiming to teach consumers to recognize new types of marks as identifiers of commercial source would be less attractive. This, in turn, would lead to a situation where the need to reduce a potential risk of consumer confusion by awarding trademark protection is less likely to arise in the first place. If enterprises refrained from targeted efforts to teach consumers to recognize new types of marks as source identifiers, consumers would not be confused with regard to the commercial origin of goods or services when these signs are used in the marketplace. As Professor Ramsey argued with regard to descriptive marks in the context of U.S. trademark law,

... circular reasoning underlies the argument that confusing use of a descriptive term as a mark is misleading and can therefore be restricted to protect consumers. By granting and enforcing exclusive rights in descriptive marks, the government helps to make those marks source-identifying, which leads to the possibility of consumer confusion in the first place.¹³⁹

A similar problem arises with regard to signs of cultural significance. EU trademark law, as explained above, provides for the possibility of outright exclusion of official signs, signs of high symbolic value, and religious signs.¹⁴⁰ However, these unconditional exclusions do not necessarily reduce the exposure of cultural signs to trademark protection. A sign of cultural significance may constitute an important national symbol and fall under the exclusion of signs with a high symbolic value that has been adopted in several EU Member States. Cultural signs without high symbolic value, however, remain unaffected. The shape exclusions in EU trademark law¹⁴¹ may keep certain industrial designs and other three-dimensional creations with

139. Ramsey, *supra* note 29, at 1150. *Cf. also* Denicola, *supra* note 29, at 170. For a critical assessment of trademark claims based on consumer expectations in general, see M.P. McKenna, *The Normative Foundations of Trademark Law*, 82 Notre Dame L. Rev. 1839, 1899 (2007): "Loosed from its natural rights moorings and bounded only by consumer expectations, modern trademark law essentially instantiates a one-way ratchet to broader trademark rights. As courts in the early twentieth century broadened trademark owners' rights, consumers grew to expect that trademark owners had increasingly broad control over their marks. Those changed consumer expectations then became the basis for even broader trademark rights, which then in turn created even greater expectations. And on it has spiraled, with the help of marketers, who specialize in influencing consumer expectations."

140. Arts. 3(1)(h), 3(2)(b) and (c) of the TMD.

141. Art. 3(1)(e) of the TMD.

cultural significance free from trademark protection.¹⁴² So far, however, these exclusions remained limited to three-dimensional signs.¹⁴³ While this may be an efficient safeguard against the acquisition of trademark rights to technical solutions,¹⁴⁴ cultural material is much more diverse. Two-dimensional shapes, such as drawings, paintings and photographs, and musical shapes such as melodies, do not qualify for the shape exclusions.

Furthermore, courts in the EU seem hesitant to use the prohibition against registration of signs that are considered immoral or a threat to public order to exclude signs of cultural significance.¹⁴⁵ Only in cases of “cultural heritage grabbing” do judges seem prepared to deny registration on the grounds that the application was made in a bad faith effort to inhibit others from using the sign.¹⁴⁶

Hence, the analysis brings to light a peculiar difference in the treatment of official, religious, and technical signs on the one hand, and cultural signs on the other. While EU trademark law

142. See General Court of the European Union, October 6, 2011, Case T-508/08, *Bang & Olufsen/OHIM*. For a proposal to generally extend the substantial value exclusion to all shapes that are attractive because of their beauty, see V. Vanovermeire, *Inschrijving als merk van een in het openbaar domein gevallen werk*, in, *Le cumul des droits intellectuels* 177, 201-203 (A. Cruquenaire & S. Dusollier eds., Brussels: Larcier 2009).

143. As discussed above, the attempt made by the German Federal Patent Court, November 9, 2005, Case 29 W (pat) 147/03, *Porträtfoto Marlene Dietrich*, *Gewerblicher Rechtsschutz und Urheberrecht* 333 (2006), to apply the exclusion to a portrait photograph was overruled by the German Federal Court of Justice, April 24, 2008, Case I ZB 21/06, *Marlene-Dietrich-Bildnis*, *Gewerblicher Rechtsschutz und Urheberrecht* 1093 (2008). Under the former Benelux provisions that served as a model for the current EU shape exclusions, the question of application to two-dimensional shapes arose in the Burberry cases. In this context, an attempt to extend the exclusion's scope to two-dimensional shapes was made with regard to Burberrys' tartan pattern by the Dutch courts. The Benelux Court of Justice, April 14, 1989, Case A 87/8, *Burberrys I*, *Nederlandse Jurisprudentie* 1989, no. 834, ¶ 9, was prevented from a decision on this matter for procedural reasons in the first Burberry case. In a further decision on the tartan pattern, however, the Benelux Court of Justice, December 16, 1992, Case A 90/4, *Nederlandse Jurisprudentie* 1992, no. 596, *Burberrys II*, ¶¶ 34-44, explicitly rejected the extension and confined the scope of the exclusion to three-dimensional shapes.

144. Cf. CJEU, June 18, 2002, Case C-299/99, *Philips/Remington*; CJEU, September 14, 2010, Case C-48/09P, *Lego/Mega Brands*. See also the analysis of the functionality doctrine conducted by M.P. McKenna, *(Dys)functionality*, 48 *Houston L. Rev.* 824, 859-860 (2011), who concludes that different approaches to technical and aesthetic functionality can only be harmonized on the basis of an overarching concept of fair competition that permits consistent answers to the question of whether, and to what extent, the copying of product features in general should be permissible or not.

145. This argument was at least explicitly rejected by the German Federal Patent Court, November 25, 1997, Case 24 W (pat) 188/96, *Mona Lisa*, *Gewerblicher Rechtsschutz und Urheberrecht* 1021, 1023 (1998).

146. See Higher Court of Appeals Dresden, judgment of April 4, 2000, Case 14 U 3611/99, published in *Neue Juristische Wochenschrift* (2001), at 615. The case concerned the registration of the name and portrait of Johann Sebastian Bach as a trademark for various goods and services and the systematic assertion of trademark rights against traders in the markets concerned even though the trademark owner had not started using the signs himself.

provides for specific mechanisms that allow the unconditional exclusion from trademark appropriation of official, religious, and technical signs, it largely leaves the acquisition of trademark rights relating to signs of cultural significance to the basic protection requirement of distinctive character. In consequence, cultural signs, such as the name and portrait of a famous artist, distinctive parts of a painting, drawing or photograph, or a melody taken from a piece of classical music, can be registered as a trademark in many cases.

As a result of their predominant cultural meaning, signs of cultural significance may be qualified as rather weak trademarks. However, the CJEU refused to include the need to keep signs available for the public or other traders as a factor to be considered in the infringement analysis.¹⁴⁷ A sign's cultural significance, therefore, leads only to a relative weakness that may be overcome through marketing efforts.¹⁴⁸ It does not constitute a stable factor to be considered generally in the context of infringement claims. As in the case of other new or nontraditional types of marks, the EU system permitting the acquisition of trademark rights once a sign of cultural significance has become distinctive may thus encourage enterprises to invest in advertising presenting a culturally important sign as an indication of commercial source. Positive cultural connotations attached to a sign may even spur investment by entrepreneurs seeking to benefit from pre-existing goodwill and recognition associated with signs of cultural significance. On its merits, the EU system thus provides incentives for advertising that may be qualified as a form of free-riding on a sign's positive cultural connotations and may lead to unfair competitive advantages.¹⁴⁹

Once a cultural sign is entered in the trademark register, this registration may be used strategically by the trademark owner as an instrument to threaten third parties using the sign in unrelated contexts. As explained above, mere references to the trademark can constitute relevant use as a trademark and offer a basis for an infringement claim in the EU. Thus, aggressive enforcement of

147. See CJEU, judgment of April 10, 2008, Case C-102/07, *Adidas/Marca*, ¶¶ 30 & 43.

148. Assaf, *supra* note 6, at 2-3, gives the example that the original cultural meanings of the names of the Greek goddess Nike and the mythological Greek hero Ajax have been superseded by commercial marketing messages. Irrespective of the cultural meaning of these signs, the respective trademark owners were capable of establishing well-known trademarks.

149. See Ramsey, *supra* note 29, at 1155, who concludes with regard to the use of descriptive trademarks: "In contrast, when a descriptive term is first used as a mark, that mark is not yet distinctive, but it is valuable instantly—before any advertising or sales—because the term is attribute-identifying and provides information about the qualities and characteristics of the product. A business that selects and uses a descriptive term as a mark on its products is, in effect, free-riding off the attribute-identifying value of the descriptive term."

trademark registrations incorporating a cultural sign may have a deterrent—or “chilling”—effect on cultural activities, particularly in the case of trademark owners pursuing an aggressive enforcement strategy.¹⁵⁰ For this reason, other mechanisms for preserving user freedoms as part of the public domain seem indispensable—in particular, the further development of exceptions that can serve as defenses, such as the exemption of use of descriptive indications and the flexible defense of use with “due cause.”

The relative ease of registration of cultural signs in the EU also exacerbates the risk of overlapping copyright and trademark protection. This overlap becomes problematic when trademark protection remains after copyright expiry: the copyright principle of a limited term of protection is then undermined by the trademark rule of indefinite renewal.¹⁵¹

EU trademark law provides for certain safeguards against protection overlaps. The unconditional exclusion of shapes that (i) result from the nature of the goods, (ii) are necessary to obtain a technical result, or (iii) give substantial value to the goods can be deemed efficient in relation to technical solutions and three-dimensional industrial designs—the subjects of patent and industrial designs law. However, a comparable boundary line with regard to copyright protection does not exist, even though

150. For an example of such an aggressive strategy relating to industrial design rights, see District Court of The Hague, May 4, 2011, Case LJN: BQ3525, Nadia Plesner/Louis Vuitton, available at <http://www.rechtspraak.nl>, dealing with an infringement action brought by Louis Vuitton against Plesner's painting *Darfurnica* because it shows a poor black boy with a Louis Vuitton handbag. For a case comment, see D.J.G. Visser, *Darfurnica: modellenrecht versus kunstvrijheid*, Nederlands Juristenblad 740-742 (2011).

151. With regard to the discussion on cumulative copyright and trademark protection, see M. Leistner & E. Derclaye, *Intellectual Property Overlaps—A European Perspective* 12-15, 47-60, 130-138, 200-205, 237-254 (Oxford and Portland: Hart Publishing 2011); S. Carre, *Marques et droit d'auteur: Métaphore d'une belle rencontre in Les défis du droit des marques au XXIe siècle* 25 (C. Geiger & J. Schmidt-Szalewski eds., Strasbourg: Litec 2010); V. Vanovermeire, *Inschrijving als merk van een in het openbaar domein gevallen werk*, in *Le cumul des droits intellectuels* 177 (A. Cruquenaire/S. Dusollier eds., Brussels: Larcier 2009); M.P. McKenna, *An Alternate Approach to Channeling?* 51 Wm. & Mary L. Rev. 873 (2009); A. Ohly, *Areas of Overlap Between Trade Mark Rights, Copyright and Design Rights in German Law*, *Gewerblicher Rechtsschutz und Urheberrecht International* 704 (2007); M.R.F. Senftleben, *De samenloop van auteurs- en merkenrecht – een internationaal perspectief*, *Tijdschrift voor auteurs-, media- en informatierecht* 67 (2007); G. Dinwoodie, *Trademark and Copyright: Complements or Competitors?*, in *ALAI 2001 USA—Proceedings of the ALAI Congress June 13-17, 2001* 498 (J.C. Ginsburg & J.M. Besek eds., New York: ALAI-USA 2002); A. Kur, *Funktionswandel von Schutzrechten: Ursachen und Konsequenzen der inhaltlichen Annäherung und Überlappung von Schutzrechtstypen*, in *Geistiges Eigentum im Dienst der Innovation* 23, 42-50 (G. Schricker, T. Dreier & A. Kur eds., Baden-Baden: Nomos 2001); P.B. Hugenholtz, *Over cumulatieve gesproken*, *Bijblad bij de industriële eigendom* 240 (2000); D.W.F. Verkade, *The Cumulative Effect of Copyright Law and Trademark Law: Which Takes Precedence?*, in *Intellectual Property and Information Law—Essays in Honour of Herman Cohen Jehoram* 69 (J.J.C. Kabel & G.J.H.M. Mom eds., Den Haag/London/Boston: Kluwer 1998); J.H. Spoor, *De gestage groei van merk, werk en uitvinding* (Zwolle: Tjeenk Willink 1990).

copyright law, like patent and industrial designs legislation, provides for a limited term of protection to allow the productive reuse of formerly protected material. In comparison with the efforts made to prevent trademark protection from interfering with follow-on innovation in the areas of technology and product design, follow-on innovation in the cultural sector is thus exposed to the corrosive effect of trademark protection to a much larger extent.¹⁵² The flexible EU approach to trademark protection for cultural signs can be understood to cause an imbalance within the intellectual property system as a whole.

The existence of unconditional exclusions from protection covering official, religious, and technical signs in EU trademark law, and the absence of comparable exclusions specifically dealing with signs of cultural significance, thus casts doubt upon the consistency of the EU intellectual property system. The reliance placed on the requirement of distinctiveness as a preservation tool is not only dubious with regard to new types of marks but also in respect of signs of cultural significance. If an unconditional exclusion were applied to cultural signs, this would guarantee their unencumbered use for social, educational, and cultural purposes. Such a guarantee of free use without a risk of trademark infringement would support follow-on innovation in the cultural sector.¹⁵³

B. Need for Additional Exceptions

As explained above, the CJEU has continued to relax the general protection requirements of “use in the course of trade” and “use in relation to goods or services.” In particular, the requirement of use in relation to goods or services (requirement of trademark use) has been applied rather flexibly. In principle, this general prerequisite for relief could be applied to limit a trademark owner’s rights against third parties to instances where the senior

152. However, see Peukert, *supra* note 4, p. 110-113, who wants to leave more room for overlaps between copyright and trademark protection by qualifying trademark protection as the more specific type of intellectual property because trademark rights do not cover the protected subject matter as such but remain limited to certain functions which the protected subject matter fulfils with regard to goods or services. While the inherent limits of trademark protection must necessarily be factored into the equation, this view seems to lose sight of the vulnerability of the cultural (and technical) innovation cycle and the corrosive effect that even limited trademark protection may have.

153. For a more detailed discussion of this point, see Senftleben, *supra* note 6. As to a discussion of the determinants of cultural creativity against the background of public domain preservation in copyright law, see J.E. Cohen, *Copyright, Commodification, and Culture: Locating the Public Domain*, in Guibault/Hugenholtz, *supra* note 12, at 121, 137-156. Trademark legislation that lends more weight to the preservation of cultural heritage by explicitly providing for grounds for refusal covering national cultural heritage objects and objects of world cultural or natural heritage can be found, for instance, in the Russian Federation. See K. Fedotova, *Report on the Russian Federation*, in Senftleben, *supra* note 2, at 249.

user's trademark is employed by a junior user "as a trademark," i.e., to identify the source of its own goods or services. Such a requirement would serve as a filter to exclude claims that are unrelated to the identification and distinction of goods and services and, hence, do not impact the core principles of trademark protection, but would leave considerable breathing space for freedom of use in political, cultural, educational, and social contexts.¹⁵⁴

However, the CJEU has taken essentially the opposite approach, weakening the trademark use requirement instead of sharpening its conceptual contours. As explained above, the Court even expressed the view that, for satisfying the requirement of trademark use, it was sufficient that a mere link was established with the trademark. In consequence, the purported threshold of establishing trademark use does not prevent trademark owners from successfully pursuing third-party uses, i.e., in spare part descriptions, comparative advertising or parodies, that are not—and are not intended to be—perceived as indications of the commercial source of the users' own goods or services. On the contrary, referential use of this kind is brought within the reach of the exclusive rights of trademark owners. The impact of this broad concept on use for political, cultural, educational, and social purposes is considerable when the use is of a (partly) commercial nature. As described above, even decorative use that merely calls to mind the protected trademark may give rise to an infringement action in these circumstances.

154. For a discussion of the concept of trademark use in EU trademark law, see A. Kur, *Confusion Over Use? Die Benutzung "als Marke" im Lichte der EuGH-Rechtsprechung*, Gewerblicher Rechtsschutz und Urheberrecht—Internationaler Teil 1, 11 (2008); P.J. Yap, *Essential Function of a Trade Mark: From BMW to O2*, Eur. Intell. Prop. Rev. 81, 86-87 (2009); I. Simon Fhima, *How Does "Essential Function" Doctrine Drive European Trade Mark Law?*, 36 Int'l Rev. Intell. Prop. & Competition L. 401 (2005); P.L. Loughlan, *Protecting Culturally Significant Uses of Trade Marks (Without a First Amendment)*, Eur. Intell. Prop. Rev. 328 (2000). As to the recognition of a potential gatekeeper function of the trademark use requirement in U.S. and EU law, see M.R.F. Senftleben, *Keyword Advertising in Europe—How the Internet Challenges Recent Expansions of EU Trademark Protection*, 27 Conn. J. Int'l L. 39 (2011); S.L. Dogan & M.A. Lemley, *The Trademark Use Requirement in Dilution Cases*, 24 Santa Clara Computer & High Tech. L.J. 541, 542 (2008): "By maintaining the law's focus on misleading branding, the trademark use doctrine keeps trademark law true to its ultimate goal of promoting competitive markets." However, see also G.B. Dinwoodie & M.D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 Iowa L. Rev. 1597, 1657-1658 (2007), who doubt that problems arising in the current "expansionist climate" could be solved by recalibrating the notion of trademark use: "Trademark use is simply too blunt a concept, no matter how defined, to capture the full range of values at play in these debates." For a summary of the debate, see M. Davison & F. Di Giantomasso, *Use as a Trade Mark: Avoiding Confusion When Considering Dilution*, Eur. Intell. Prop. Rev. 443 (2009); M.P. McKenna, *Trademark Use and the Problem of Source*, Univ. Ill. L. Rev. 773 (2009). For a fundamental critique of the continuous expansion seeking to reduce the scope of trademark protection to the traditional origin function, see, moreover, Peukert, *supra* note 4, at 96-107.

The reason for the increasingly elastic application of general protection requirements, such as the requirement of use in relation to goods or services, can be seen in the recognition of a broader range of protected trademark functions.¹⁵⁵ The CJEU no longer focuses on the traditional function of indicating source or origin.¹⁵⁶ In *L'Oréal/Bellure*, the Court held that a trademark's quality, communication, investment, and advertising functions enjoyed absolute protection in double identity cases falling under Article 5(1)(a) of the TMD.¹⁵⁷ These latter functions are typically fulfilled by marks with a reputation. A strong brand may go beyond mere source identification, conveying lifestyle messages that are the result of substantial investment in advertising. Protection of a trademark's communication, investment, and advertising functions is thus protection of the investment in the creation of a favorable brand image and the brand communication based on this image.

The assumption expressed in Part II with regard to the interplay between inherent limits of exclusive rights as implicit safeguards of user freedoms and the adoption of exceptions as explicit safeguards of user freedoms can thus be confirmed in light of current developments in EU trademark law: the weaker the inherent limits of exclusive trademark rights, the stronger the need for the adoption of exceptions that explicitly exempt certain forms of use from the control of the trademark owner. As posited by Professor Dinwoodie with regard to similar developments in U.S. trademark law:

[A]s the scope of trademark protection expands and the metes and bounds of protection become more uncertain, we cannot rely exclusively on creative interpretation of the *prima facie* cause of action to establish limits. Trademark law must more consciously develop defenses that reflect the competing values at stake in trademark disputes.¹⁵⁸

155. For an overview of trademark functions, pointing out this traditional focus on identification and distinction functions and potential extensions with regard to communication, investment and advertising functions, see R. Keim, *Der markenrechtliche Tatbestand der Verwechslungsgefahr* 37-61 (Baden-Baden: Nomos 2009).

156. For an early use of this formula, CJEU, 3 December 3, 1981, Case C-1/81, *Pfizer v. Eurim-Pharm*, ¶ 8. As to the reappearance of the same formula in later judgments, see particularly CJEU, November 12, 2002, Case C-206/01, *Arsenal/Reed*, ¶ 48. Cf. I. Simon Fhima, *How Does "Essential Function" Doctrine Drive European Trade Mark Law?*, 36 *Int'l Rev. Intell. Prop. & Competition L.* 401 (2005).

157. See CJEU, June 18, 2009, Case C-487/07, *L'Oréal/Bellure*, ¶ 58. For comments on this development, see Senftleben, *supra* note 154, at 39; Kur, Bently, Ohly, *supra* note 124; F. Hacker, *Funktionenlehre und Benutzungsbegriff nach "L'Oréal"*, *Markenrecht* 333 (2009).

158. G.B. Dinwoodie, *Lewis & Clark Law School Ninth Distinguished IP Lecture: Developing Defenses in Trademark Law*, 13 *Lewis and Clark L. Rev.* 99, 152 (2009). Cf. W. McGeeveran, *Rethinking Trade Mark Fair Use*, 94 *Iowa L. Rev.* 49 (2008).

Against this backdrop, the need for new exceptions in EU trademark law is evident. With the relaxation of the requirement of use in relation to goods or services to impose liability on a junior user, the CJEU offers broad access to trademark protection beyond the traditional function of distinguishing one's goods or services from those of others. Without appropriate exceptions providing defenses in infringement cases, the reaction of EU trademark law to forms of referential and decorative use will most probably be too harsh.¹⁵⁹ An enhanced infrastructure of exceptions is needed to re-establish a proper balance between rights and freedoms.

There is some cause for optimism in the EU, however, as the process of devising new exceptions has already started. In *O2/Hutchison*, the CJEU itself, as indicated above, took steps to create additional breathing space for references to trademarks in comparative advertising:

[I]n order to reconcile the protection of registered marks and the use of comparative advertising, Article 5(1) and (2) of Directive 89/104 and Article 3a(1) of Directive 84/450 must be interpreted to the effect that the proprietor of a registered trade mark is not entitled to prevent the use, by a third party, of a sign identical with, or similar to, his mark, in a comparative advertisement which satisfies all the conditions, laid down in Article 3a(1) of Directive 84/450, under which comparative advertising is permitted.¹⁶⁰

The rules of the EU Comparative Advertisement Directive are thus openly applied as an external balancing tool that is not reflected in EU trademark law itself.¹⁶¹

In *Interflora/Marks & Spencer*, while the CJEU confirmed its broad concept of protection against unfair free-riding in dilution cases, it nevertheless demonstrated again its willingness to counterbalance broad exclusive rights by recognizing new exceptions.¹⁶² In principle, an online advertiser who derives benefits from a trademark with a reputation by selecting that trademark as a keyword for its own advertising takes unfair

159. Cf. Max Planck Institute, *supra* note 61, ¶¶ 2.260-2.262, proposing the inclusion of an explicit limitation regarding honest referential use that, besides comparative advertising, would cover use for purposes of indicating replacement or service, use for purposes of commentary and criticism, and parody.

160. See CJEU, June 12, 2008, Case C-533/06, *O2/Hutchison*, ¶ 45. The Court confirmed this new limitation in *L'Oréal/Bellure*. See CJEU, June 18, 2009, Case C-487/07, *L'Oréal/Bellure*, ¶ 54.

161. In *O2/Hutchison*, the CJEU could establish a link between the prohibition of confusion in Art. 3a(1)(d) of the Comparative Advertisement Directive and the likelihood of confusion test in Art. 5(1)(b) of the TMD. See CJEU, June 12, 2008, Case C-533/06, *O2/Hutchison*, ¶ 69, and operative part. The balancing via external norms was less obvious under these circumstances.

162. CJEU, September 22, 2011, Case C-323/09, *Interflora/Marks & Spencer*, ¶ 74. The formula was developed in CJEU, June 18, 2009, Case C-487/07, *L'Oréal/Bellure*, ¶ 49.

advantage of the senior user's trademark with a reputation.¹⁶³ On the other hand, however, the Court wrote:

where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward—without offering a mere imitation of the goods or services of the proprietor of that trade mark, without causing dilution or tarnishment and without, moreover, adversely affecting the functions of the trade mark concerned—an alternative to the goods or services of the proprietor of the trade mark with a reputation, it must be concluded that such use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without “due cause” for the purposes of Article 5(2).¹⁶⁴

The Court thus introduced a new type of “due cause” defense covering the purchase of trademarks as keywords in online advertising for the purpose of informing internet users of alternatives in the marketplace. As explained above, the defense of “due cause” also plays a central role in safeguarding the freedom of parody, criticism, and comment. This flexible preservation tool, however, is available only in the context of anti-dilution protection under Article 5(2) of the TMD.

In double identity cases falling under Article 5(1)(a) of the TMD, there is no comparable balancing tool. Considering that the CJEU seeks to protect goodwill functions in double identity cases besides the essential origin function, this is highly problematic.¹⁶⁵ The development of new defenses in EU trademark law must thus be seen as an incomplete process. Potentially, the CJEU will directly invoke the fundamental guarantee of freedom of expression in Article 11 of the EU Charter of Fundamental Rights and Article 10 of the European Convention on Human Rights to create the required breathing space.¹⁶⁶ In the present situation, however, the need to enshrine appropriate new defenses for parody, criticism, and comment in EU trademark law is even more pressing than in the case of comparative advertising, where the

163. See CJEU, September 22, 2011, Case C-323/09, *Interflora/Marks & Spencer*, ¶¶ 86-89.

164. *Id.* ¶ 91.

165. See the critique by A. Ohly, *Keyword Advertising auf dem Weg zurück von Luxemburg nach Paris, Wien, Karlsruhe und Den Haag*, *Gewerblicher Rechtsschutz und Urheberrecht* 776, 780, 782 (2010); F. Hacker, *Funktionenlehre und Benutzungsbegriff nach “L’Oréal,” Markenrecht* 333, 337 (2009). Cf. also Max Planck Institute, *supra* note 61, ¶ 2.260, stating that the present state of law is unsatisfactory because of absolute protection “in the sense that it does not depend on any balancing of interests, apart from a functional analysis.”

166. With regard to the impact of the fundamental guarantee of freedom of expression on trademark protection, see the literature references *supra* note 10.

specific rules laid down in the Comparative Advertisement Directive are readily available.¹⁶⁷

A need for new exceptions to trademark rights may also arise in the area of research and teaching, and use for cultural purposes. Activities in these fields do not necessarily occur in the course of trade and may often be outside the reach of trademark rights from the outset. With increasing partnerships between private companies and educational, scientific, and cultural institutions, however, the question of whether such use is “in trade” may become less clear-cut, notwithstanding that the socially valuable objectives of sponsored activities may still justify an exemption from the control exerted by trademark owners.¹⁶⁸ In the case of cultural activities, it can be added that freedom of artistic expression may be understood to cover accompanying promotion and marketing activities.¹⁶⁹ From this perspective, it also makes sense not to rely exclusively on inherent limits of trademark protection following from the condition of use in the course of trade, but to devise exceptions that explicitly confirm the freedom to make such uses and serve as defenses in infringement cases. The proposal of the European Commission for amending EU trademark legislation contains important impulses in this regard. The Commission seeks to introduce an exception covering referential use in general.¹⁷⁰ If this additional exception were to be

167. For case law and literature reflecting the need for appropriate preservation tools covering use for purposes of parody, criticism, and comment, see *supra* note 132. For an example from outside the EU, see Constitutional Court of South Africa, May 27, 2005, *Laugh it Off Promotions CC vs. South African Breweries Int. (Finance) B.V. t/a Sabmark Int.*, Case CCT 42/04, 36 Int'l Rev. Intell. Prop. & Competition L. 868 (2005), with case comment by Z.M. Navsa, *Trademark Dilution—No Laughing Matter*, Eur. Intell. Prop. Rev. 455 (2009).

168. Cf. the analysis conducted by the Max Planck Institute, *supra* note 61, ¶ 2.66, according to which “it appears that “in the course of trade” must be distinguished primarily from private use.” Cf. also ¶¶ 2.160-2.162 of the analysis. Educational, scientific, and cultural use does not constitute private use in a strict sense. Hence, it may qualify as use in the course of trade in certain cases and become subject to the exclusive rights of trademark owners.

169. For an approach to the fundamental freedom of art covering both creation (“Werkbereich”) and dissemination (“Wirkbereich”), see German Federal Constitutional Court, November 3, 1987, Case 1 BvR 1257/84, “Herrnburger Bericht,” published in the official collection BVerfGE 77 (1987), 240, where the Court held that the freedom of art covered advertising for a work of art. If the trademark of a third party is used for the purpose of advertising an art work, this freedom of art, necessarily, must be reconciled with the fundamental guarantee of property, including intellectual property. Cf. H.D. Jarass & B. Pieroth, *Grundgesetz für die Bundesrepublik Deutschland—Kommentar* 207-212 (11th ed., Munich: C.H. Beck 2010). A new trademark limitation regulating this field could provide guidance for an appropriate balancing of interests in this context. As to the status of intellectual property within the EU system of human rights, see the critical comments by C. Geiger, *Intellectual Property Shall be Protected!?!—Article 17(2) of the Charter of Fundamental Rights of the European Union: A Mysterious Provision with an Unclear Scope*, Eur. Intell. Prop. Rev. 113 (2009).

170. See Article 14(1)(c) of the TMD amendment proposal, EU Commission, *supra* note 61: “The trade mark shall not entitle the proprietor to prohibit a third party from using, in

adopted, it would create additional room for the CJEU to develop appropriate defenses. As currently proposed by the Commission, the new exception would apply horizontally to all exclusive rights, including the problematic double identity rule in Article 5(1)(a) of the TMD, where the flexible “due cause” defense is presently missing.

V. CONCLUSION

In relation to trademark law, the public domain can be understood to encompass all signs that are not protected as trademarks and all forms of using protected signs that fall outside the scope of the exclusive rights of the trademark owner. This notion includes (i) all signs that are generally excluded from trademark protection regardless of whether they are distinctive or not (unconditional exclusion), (ii) all signs that do not satisfy the basic protection requirement of distinctiveness (conditional exclusion), (iii) all forms of use that cannot be controlled by the trademark owner because of inherent limits of exclusive rights (implicit freedom of use) and (iv) all forms of use that cannot be controlled by the trademark owner because of the adoption of an exception (explicit freedom of use).

Seeking to develop best practices, the following general guidelines for the introduction of exclusions can be given on the basis of the present analysis: an unconditional exclusion from trademark protection has an absolute effect in the sense that signs falling under the exclusion, regardless of their potential distinctive character, will never be eligible for trademark protection. On the one hand, the application of this outright bar to trademark protection ensures that the sign concerned, in any case, does not become subject to trademark rights. Use of the sign by other traders or the public at large always remains unencumbered by trademark rights. This guarantees that trademark protection will not restrict the sign’s availability. The sign remains in the public domain. On the other hand, an unconditional exclusion implies that, in cases where a sign does, in fact, have a distinctive character, or develops one through use,¹⁷¹ permitting

the course of trade [...] the trade mark for the purpose of identifying or referring to goods or services as those of the proprietor of the trade mark, in particular where the use of the trade mark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts; . . .”

171. This is not a mere theoretical option. In *Lego/OHIM(Mega Brands)*, for instance, the Court of Justice of the European Union, September 14, 2010, Case C-48/09 P, ¶ 40, explicitly pointed out that “[i]n the present case, it has not been disputed that the shape of the Lego brick has become distinctive in consequence of the use which has been made of it and is therefore a sign capable of distinguishing the appellant’s goods from others which have another origin.” Irrespective of the existence of distinctive character, however, the Court denied the acquisition of trademark rights in line with EU legislation to allow

unencumbered use of the sign by competitors may cause confusion among consumers who perceive the sign as a reference to a particular commercial source. In principle, advantages accruing from general availability for other traders and the public at large must thus be weighed against the potential risk of consumer confusion.¹⁷²

An exclusion that remains conditional, in the sense that trademark protection can be obtained once distinctiveness is acquired through use in trade, does not give rise to concerns about consumer confusion. However, it may undermine the objective of safeguarding the public domain by encouraging marketing strategies that aim specifically at the acquisition of trademark rights relating to the very signs that were intended to be kept free. A trademark system placing too much reliance on the requirement of distinctiveness as a preservation tool may thus give dysfunctional incentives.

EU trademark law provides for a broader scope of unconditional exclusion of official signs than Article 6*ter* of the Paris Convention, namely, authorizing exclusion of signs of high symbolic value, in particular religious symbols. EU trademark law also provides for an unconditional exclusion of three-dimensional shapes that result from the nature of the goods, are necessary to obtain a technical result, or give substantial value to the goods. These shape exclusions can be seen as a means of enhancing competition in the marketplace.¹⁷³ Moreover, the outright exclusion of technical shapes is a means of drawing a boundary line between trademark protection and patent protection. The exclusion of substantial value shapes can serve as a means of separating trademark protection, at least to some extent, from industrial designs protection. In this way, interferences of potentially indefinite trademark protection with intellectual property regimes providing for a limited term of protection for technological and aesthetic innovation are reduced.

Where, however, the signs at issue are of a cultural or artistic nature, EU trademark law largely leaves the acquisition of trademark rights to whether an aspiring trademark owner can

competition in the marketplace and prevent undertakings from using trademark law “in order to perpetuate, indefinitely, exclusive rights relating to technical solutions” (¶ 45).

172. In this context, alternative legal mechanisms, such as general protection against unfair competition, may be factored into the equation to determine whether the potential risk of confusion can be minimized through protection standards outside trademark law. With regard to developments in the area of protection against unfair competition, see M. Höpperger & M.R.F. Senftleben, *Protection Against Unfair Competition at the International Level—The Paris Convention, the 1996 Model Provisions and the Current Work of the World Intellectual Property Organization*, in 1 *Law Against Unfair Competition—Towards a New Paradigm in Europe?*, MPI Studies on Intellectual Property, Competition and Tax Law 61 (R. Hilty & F. Henning-Bodewig eds., Berlin/Heidelberg: Springer 2007).

173. CJEU, June 18, 2002, Case C-299/99, Philips/Remington, ¶ 78.

establish distinctive character. The exclusion of signs of cultural significance thus remains conditional. It can be overcome through use in trade in many cases. In consequence, a clear boundary line between trademark and copyright protection is missing. This decision causes imbalances within the intellectual property system. While EU trademark law seeks to prevent trademark protection from interfering with patent and (to some extent) industrial designs protection, comparable efforts to avoid dysfunctional overlaps between trademark and copyright protection are sought in vain. Once trademark rights are acquired, the impact on use of the sign in a cultural context must not be underestimated. The marketing messages attached to the sign may supersede its original cultural meaning. The existence of trademark rights may have a deterrent effect on use for cultural follow-on innovation.

Against this background, the EU approach to signs of cultural significance is wanting. Instead of relying on the requirement of distinctive character, policy makers in other regions may better protect the public interest in shared cultural material by adopting an unconditional exclusion covering signs of cultural significance¹⁷⁴ or developing a broader notion of aesthetic functionality that goes beyond the piecemeal approach currently found in EU trademark law. The broader concept of aesthetic functionality should encompass all kinds of cultural creations, including drawings, paintings, photographs, and melodies.¹⁷⁵

A choice between the different types of exclusions from protection must also be made in the field of nontraditional marks. The CJEU applies an amalgam of conditional and unconditional exclusions in this area. While smell is excluded from trademark registration altogether on the grounds that it cannot be represented graphically, the Court has accepted sound marks, and particularly melodies, which can be represented by musical notation. With regard to shapes and color *per se*, the Court posited that consumers were not in the habit of making assumptions about the commercial origin of goods or services on the basis of these signs. Hence, the need to show distinctiveness obtained through use functions as an additional safeguard against the adoption of

174. As to legislation that explicitly provides for grounds for refusal covering national cultural heritage objects and objects of world cultural or natural heritage, see K. Fedotova, *Report on the Russian Federation*, in Senftleben, *supra* note 2, at 249.

175. See also Ramsey, *supra* note 29, at 1169-1170, arguing that descriptive terms should be eliminated from protection as trademarks altogether. Considering that cultural signs can be seen as being descriptive with regard to cultural productions and information products, this proposal would also contribute to the preservation of signs of cultural significance. A trademark registration may remain possible, however, in cases where the registration is sought with regard to goods or services, in respect of which the cultural sign is chosen arbitrarily.

trademark rights. It remains to be seen whether this is sufficient to preserve the public domain.

Given the open and broad definition of the subject matter of trademark protection in EU trademark law, the additional hurdle of distinctiveness acquired through use seems to constitute the maximum safeguard that the CJEU can offer under the current legislation. Lawmakers in other regions, however, need not follow the EU example. In accordance with Article 15(1) of the TRIPS Agreement, a country may require, as a condition of registration, that signs be visually perceptible. Smells, sounds, and melodies can thus generally be excluded from trademark protection. This strategy offers a more efficient preservation mechanism than the approach currently taken in the EU.

In the area of inherent limits of, and exceptions to, exclusive trademark rights, a closer look at EU trademark law revealed that with the continuous expansion of trademark protection, inherent limits of exclusive rights—particularly its confinement to use of conflicting signs in trade and as a trademark—become less and less reliable safe harbors for socially and culturally valuable use, in particular when it comes to the protection of goodwill functions and broad protection against dilution and unfair free-riding. Accordingly, it has become more difficult to demarcate exactly the limits of actionable trademark use. Besides forms of use that would interfere with the essential trademark function of signalling the commercial origin of goods and services, EU trademark owners may also have success in invoking trademark rights against forms of use (such as criticism, comment, and parody) that do not impair the basic origin function, but may adversely affect brand image and goodwill.

When the inherent limits of trademark rights become less clear and foreseeable for potential users, trademark protection is likely to have an increasingly deterrent effect on socially and culturally valuable use. The mere risk of being sued for trademark infringement because of a biting comment or parody may have a chilling effect, causing users to refrain from engaging in these forms of speech. To safeguard freedom of expression, it is thus advisable to reassure users of trademarked signs that certain forms of use are exempted from the control of the trademark owner by adopting appropriate exceptions that serve as defenses against alleged infringement.¹⁷⁶ In this way, legal certainty can be re-established, and socially and culturally valuable use can be encouraged.

176. For a discussion of room for the adoption of appropriate limitations in international trademark law, see L.P. Ramsey, *Free Speech and International Obligations to Protect Trademarks*, 35 Yale J. Int'l L. 405 (2010); K. Weckström, *The Lawfulness of Criticizing Big Business: Comparing Approaches to the Balancing of Societal Interests Behind Trademark Protection*, 11 Lewis & Clark L. Rev. 671 (2007).

On a positive note, this process has already started in the EU in certain respects. The CJEU uses the harmonized EU rules on comparative advertising as an external exception to trademark rights in order to offer sufficient breathing space for commercial freedom of speech. In keyword advertising cases, the Court developed a specific defense of “due cause” that can be invoked when the trademark is used to provide information on alternative offers in the marketplace. However, comparable efforts still have to be made to create sufficient room for criticism, comment, and parody, news reporting and news commentary, use for research and teaching, and use for cultural purposes. The proposal of the European Commission for amending EU trademark legislation seems to recognize this need for additional exceptions. It aims to exempt referential use in general.¹⁷⁷

Seeking to develop appropriate guidelines for policy makers, it may be said that, in the field of inherent limits and exceptions, an assessment of the legal certainty resulting from the general understanding of the inherent limits of trademark rights in trade circles and among the public should inform the decision on whether infringement criteria, such as use in trade and use as a trademark, are sufficient to support forms of use that should remain free, or whether the adoption of specific exceptions is required to offer sufficient legal certainty. The expansion of trademark protection in the EU has created a need for the adoption of new statutory defenses. Countries seeking to develop a comparable protection standard should take this need into account and consider devising new exceptions to support socially and culturally valuable forms of use.

177. See Article 14(1)(c) of the TMD amendment proposal, EU Commission, *supra* note 61.